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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

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JUL 6 - 1951
September 11, 1950
U.S. DEPARTMENT OF AGRICULTURE

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MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: John C. Baker, Chief, Information Branch, Midwest Area

ICB

THIS WEEK'S SPOTLIGHT:

CHICAGO COMMODITY OFFICE
Commodity Division

Buying and selling department of Chicago's Commodity Office is the Commodity Division, headed by Marc Daly, with Bernard Tyarks, assistant chief.

This Division sells grains and dairy products acquired by CCC under price support, and also acts as the purchasing agency for other government departments, and, on occasions, for foreign governments who may be in the market for U.S. grains or dairy products.

The grain section of the Division accepts offers daily for CCC-owned grains, based on prices announced by CCC at the beginning of each month, or the market, whichever is higher, and also sells all off-condition grains turned in by producers in payment of loan notes. In carrying out these off-condition grain sales, the Division determines the prices for settlement of the CCC-held producer notes when the grain grades are below the discount rates stipulated in the official price support bulletins.

The dairy section of the Commodity Division, headed by Bob Mahoney, carries out the price support purchases of butter, cheese and other dairy products. Since these operations were decentralized and placed in the Commodity Office April 1, Chicago's Commodity Division has purchased many million pounds of butter, cheese and nonfat dry milk solids, and has sold some of the products back to the trade, or for export.

The Division is also responsible for determining the prices of grains or dairy products in claims made on railroads by the Transportation and Warehousing Division, and for the settlement of claims on warehouse accounts originating in the Program Examination Section of the Chicago Commodity Office.

Next week, our final report on the Commodity Office, the Transportation and Warehousing Division.

ON THE CALENDAR

Tuesday, September 12	Chicago, Country elevator operators school, Board of Trade.
12-14	Urbana, Illinois Home Advisers Conference.
12-13	Urbana, Ohio, National Plowing Match and Soil Conservation Field Day
12	Remington, Ind., Indiana Soybean Day.
Wednesday, Sept. 13-16	Austin, Minn., National Barrow Show.
13	Akron, Ohio, Referendum on Milk Marketing Order.
13	Chicago, Talk on effects of atom bombing.
Friday, September 15	W. Lafayette, Purdue annual Swine Day.
Saturday, September 16-20	Chicago, Independent Grocers Alliance.
Sunday, September 17-21	Springfield, Ill., National Association of State Directors of Agriculture
17-18	Chicago, National Mineral Feeds Association
Monday, September 18-23	Referendum of potato growers in Nebraska-Wyoming.
Tuesday, September 19	Chicago, Area Grain Trade Committee meets with CCC.
19	St. Paul, U. of Minn. Dairy Products Institute
Thursday, September 21	W. Lafayette, Purdue Short Course for Veterinarians.
Sunday, September 24-26	Kansas City, Grain Feed Dealers Nat'l Ass'n.

SPECIAL

"Effects of Radioactivity and Atom Bombing" is the subject of a talk by Dr. Austin M. Brues, of the Argonne Laboratory of the Atomic Energy Commission, Wednesday, September 13, 3:00 P.M., Room 200, 69 West Washington Boulevard. Staff members of PMA are invited. Lecture arranged especially for government employees. Dr. Brues has been long associated with the atomic energy projects, and helped to make studies of the effects of atom bombs on Hiroshima and Nagasaki.

COMMODITY CREDIT CORPORATION

Price support activities of CCC as of July 31, represented an investment of \$3,418,286,000. Net loss during July, \$9,834,000. Loans made up \$819,482,000 of total investment, and inventories of commodities represented investment of \$2,598,804,000. Corn loans made up more than half billion dollars of loan total, tobacco, cotton, and wheat next in order. In inventory, wheat comprises almost three quarter billion dollars, cotton and corn over half billion each. (Press release Sept.8)

COTTON BRANCH

Comparatively small U.S. crop and strong domestic and foreign demand pushed cotton prices to highest level in many years - above 40 cents a pound for Middling 15/16 inch in spot markets. Cotton prices are up about 19 percent since June 23, the last trading day prior to start of Korean conflict. New crop cotton reaching market in large volume, farmers selling freely, many merchants more anxious to buy than to sell.

World crop will be down about 10 percent on balance, and below current world consumption. Reduction is net of a prospective decline of 36 percent (from last year) in U.S., and probable increase of about 15 percent in all other countries combined. World carryover next August 1 may be around 14 million bales - if world consumption continues at 1949-50 level - the smallest out-of-season world stocks since early 1930's. World cotton prices have advanced about 20 percent in last two months.

On September 8, CCC announced sale of 222,981 bales of 1948-crop cotton, making total of 2,344,071 bales of 1948 cotton sold, leaving about 1,447,000 bales to be sold. Repayments on 1949 crop loans totaled more than 3 million bales through August 31, leaving only 190,000 bales still under loan on that date.

BAE estimate on 1950 crop, sets production at 9,882,000 bales. This is 4 percent below estimate of August 1, and compares with 16,128,000 bales produced last year.

At request of Secretary of Agriculture, Commerce Department has put controls on export of raw cotton and cotton linters to all destinations except Canada, effective September 8. License is required for exports.

DAIRY BRANCH

Referendum to determine dairy-farmer approval of the proposed Federal order for the Akron milk marketing area has been scheduled for Wednesday, September 13. Voting will be done at five polling stations. Also announced last week was the amendment, effective September 1, of the Cincinnati Federal order, making 10 changes designed chiefly to adjust various provisions of the order so as to make them more effective in reflecting current marketing conditions and to revise the method of classifying and pricing milk to a basis similar to that used in nearby markets operating under Federal orders.

(more)

Price-Support Purchases and Sales, through September 2:

(Figures in Pounds)

Product	Purchases Wk. End. Sept. 2	Total 1950 Purchases 1/	1949-50 Purchases Unsold as of Sept. 2
Butter A	223,125	84,205,659	(
Butter B	1,042,844	43,260,725	(191,600,000
Butter C	---	---	(
	<u>1,265,969</u>	<u>127,466,384</u>	
Cheese	2,151,592	100,891,771	106,600,000
Spray milk solids	4,807,043	241,632,365	(
Roller milk solids	656,090	93,527,890	(361,700,000
	<u>5,463,133</u>	<u>335,160,255</u>	

Product	Sales to Trade Wk. End. September 2	1950 Sales to Domestic Trade
Butter A	---	1,117,977
Butter B	---	5,669,561
Butter C	280,659	912,720
	<u>280,659</u>	<u>7,700,258</u>
Cheese A	74,444	6,573,445
Cheese B	5,034	1,044,184
Cheese C	---	395,312
	<u>79,478</u>	<u>8,012,941</u>

Nonfat Dry Milk Solids

Roller	---	141,800
Spray	---	---
		<u>141,800</u>

1/ Adjusted for Contract Amendments.

Preston Richards, Director, will meet with the National Dairy Advisory Committee of the American Farm Bureau Federation in Chicago, Illinois, on September 12. On September 13 and 14 he and Herbert L. Forest, Assistant Director, will meet with the Midwest Milk Market Administrators and local producers and dealers in Chicago.

FATS AND OILS BRANCH

Soybean Crushing Capacity:

There have been several inquiries recently concerning the question of whether or not crushing facilities are sufficient to handle the record 1950 crop of soybeans, currently estimated at 270.7 million bushels.

Information available regarding crushing facilities indicates that such facilities are adequate to handle a crush of about 250 million bushels annually. It is reasonable to assume that exports from the 1950 crop will be larger than last year's which would leave considerably less than 250 million bushels for domestic crushing. Therefore, no particular difficulty is expected in processing the 1950 soybean crop.

Cottonseed Oil Program:

During the period August 24 - September 6, CCC sales of crude and refined cottonseed oil, through the Dallas and San Francisco PMA Commodity Offices, totaled 2,360,750 pounds. As of September 6, cumulative total sales of crude and refined oil since February 1, 1950, amount to 190,255,474 pounds.

FOOD DISTRIBUTION PROGRAMS BRANCH

Oscar F. Beyer, area supervisor of Chicago office, and supervisors of other areas are meeting in Washington this week.

Food Trades:

J. Purvis Milnor, Washington office, visited the Chicago office last week.

Direct Distribution:

Approximately 402,000 cases of Canned Strained Cranberry Sauce are being purchased with Section 32 funds as a surplus removal program. Distribution will be made to nonprofit school lunch programs and eligible institutions in the States and territories.

FRUIT AND VEGETABLE BRANCH

Purchase of 1950-crop Irish potatoes through September 6 totaled 4,997,263 hundredweight. Of this amount 1,617,353 hundredweight went to livestock feed; 15,569 to penal institutions; 204,900 to Section 416; and 3,159,441 hundredweight went to re-sale.

Honey exported under Government subsidy through September 2, 1950, totaled 6,634,158 pounds at a cost of \$298,537. Honey diversion figures remain unchanged.

(more)

FRUIT AND VEGETABLE BRANCH - (Continued)

Marketing Programs:

R.E.Keller and Sherman Popst will go to Iowa for a meeting Friday at Algona preliminary to the potato growers' referendum on Marketing Order No. 60 to be held the last week of this month. Meetings in Indiana, Michigan, Wisconsin, Minnesota; and North Dakota will be held during week of September 18.

Processed Foods:

Max S. Austen will visit the Cedar Rapids, Iowa, and Ripon, Wisconsin offices this week in connection with inspection of processed corn which is now being packed.

Market News:

R. Maynard Peterson, oldest market news reporter in point of service, died September 1, in Baltimore, from injuries suffered in an automobile accident. He was 62 years old, and had been a USDA employee for 36 years, helping to establish the market news reporting system in 1914. Mr. Peterson was on relief duty in Baltimore, his regular assignment being Plant City, Florida.

GRAIN BRANCH

BAE estimates 1950 wheat crop 996 million bushels, will approximate domestic and export needs, with prospects for little change in carryover on July 1 next year. Carryover this year was 417 million bushels, making total supply available in U.S. about 1,413 million bushels. Exports and military procurement presently estimated about 265 million bushels.

- (*) Sudden change in Canadian wheat crop pulls North America production estimates below previous figures. Canadian Government preliminary estimate had been 544 million bushels but private forecasters now figure 400-450 million; second Government estimate will be issued September 15. Besides pulling down bushel figures, quality of Canadian crop has deteriorated to put large quantity in low grades. Cold weather was the cause. At one time, crop had been estimated as high as 600 million bushels.
- (*) Branch is making survey to get accurate picture of situation regarding allotments apportioned in summer fallow areas as compared with those for continuous cropping and diversified farming. Meanwhile, don't believe all the stories you hear of treatment of the various types of farms.
- (*) County loan rates on 1950-crop soybeans are scheduled for distribution next week to State and county committees. Long-time record of soybean market prices show 20 percent range in annual prices. Low point is in October, high in June. Farmers could reduce wide spread by putting larger quantities of beans under price support, instead of selling so much of the crop immediately after harvest.
- (*) Contents of starred paragraphs not to be used in statements to trade or press.

GRAIN BRANCH --(Continued)

Albert R. Graf, Marketing Specialist, will confer with PMA field officials, producers, and others in North Dakota and Montana, September 5 - October 6, regarding administration of Grain Branch programs. Thomas J. McGuire, Marketing Specialist, will travel throughout the U.S. to confer with PMA field officials, producers, and others regarding administration of Grain Branch programs, September 8 - October 31.

LIVESTOCK BRANCH

A. L. Lowery, District Supervisor, Packers and Stockyards Administration, Chicago, recently returned from a routine business trip to Milwaukee.

Packers have been invited to offer lard for sale to USDA. Purchases will total 1,325,000 pounds, for Army use in Okinawa. September 13 is closing date for receiving bids.

PERSONNEL

Donald E. Smith, assistant director of the Chicago area Commodity Office, goes to Kansas City this week to take charge of the area Commodity Office there. Theodore H. Anderson, area management officer, will assist Mr. Smith in management problems in the Kansas City area office.

Gerhard Wachter and Wilhelm Hackenschmied, German agricultural workers, one a farm adviser and the other a teacher, are guests of PMA area office this week. Besides becoming familiar with PMA operations, they will visit several food processing plants, agricultural and food organizations, and commodity exchanges in Chicago. Personnel section is handling arrangements. Before coming to Chicago, the visitors spent several days in Ohio, guests of the state PMA committee.

POULTRY BRANCH

W. D. Termohlen, Chief of the Poultry Branch, was in Chicago on Monday and Tuesday of this week, conferring with members of industry.

Dried whole egg purchases for price support this week tapered off to a total of 1,002,350 pounds with cancellations at 127,595 pounds. All purchases were for September delivery. This week's transactions made net purchases of dried eggs 80,496,242 pounds for the year so far.

Offers of dried eggs for October delivery will be received beginning Tuesday, September 12, under the program which was extended this week for the remainder of the year.

Export sales of dried eggs this week amounted to 61,475 pounds at 30 cents a pound f.a.s., New York for a part of the quantity and at 20 cents f.o.b. warehouse for the remainder. Total sales under this program now stand at 3,484,634 pounds.

SUGAR BRANCH

Monthly report on status of sugar quotas shows U.S. has imported 5,801,004 tons of sugar through August 31, compared to 5,315,465 tons during same period in 1949.

Increase in quotas which may be imported into U.S. was announced this week, affecting Dominican Republic, Peru, Haiti.

Agreement has been made to sell 75,000 tons of sugar to United Kingdom out of CCC purchases from Cuba.

TRANSPORTATION AND WAREHOUSING BRANCH

C. B. Bowling and P. R. Hurley will be in St. Louis, Mo., September 14 - 16, to confer with representatives of the Federal Barge Line relative to barge rates on agricultural commodities. J. L. Pease will be in Grand Forks, North Dakota, September 11 - 13, to discuss potato freight rates and car service with officials of the Red River Valley Potato Growers Association. Mr. C. A. Duvall will be in Chicago, September 13 - 14, to attend a meeting of the National Association of Public Utilities, at which rail passenger service deficits are to be discussed. C. M. Deaver, C.C. Pulvermacher, C. R. Rodwell, N. J. Cremen, and H. L. Reddick, of Field Supervision Staff will continue the installation of Work Status Report in PMA Commodity Offices next week.

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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

JUL 6 - 1951

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September 18, 1950 DEPARTMENT OF AGRICULTURE

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: Vincent P. Freymann, Acting Chief, Information Branch,
Chicago, Illinois
V.P.F.

THIS WEEK'S SPOTLIGHT

Transportation and Warehousing Division - Chicago Commodity Office

Clustered near almost every village and city in Iowa, Illinois, Indiana, Michigan, and Ohio are a total of 59,000 grain bins set up by CCC as an agency of the U. S. Department of Agriculture to provide safe storage for CCC-owned grains and oilseeds. These bins, on September 1, held 155,000,000 bushels of corn and 27,000 bushels of wheat, acquired by the Agency under price support operations.

Administering the stocks in these bins - directing the flow of grains into - and out - via rail, boat or truck, to domestic processing plants, grain terminals, ports of export, or to farm feed lots, is the responsibility of the Transportation and Warehousing Division of Chicago's Commodity Office - J. M. Boberski, Chief. The Division's job isn't limited to the grain in these bins, but to all CCC-owned grains and other commodities in elevators, terminal warehouses, and refrigerated storage in the 5 states served by the Chicago office.

These included, on September 1: 52,000,000 more bushels of corn; wheat, 7,500,000 bushels; oats, 300,000 bushels; flaxseed, 250,000 bushels; grain sorghums, 150,000 cwt.; winter peas, 50,000 cwt.; and dry edible beans, 2,750,000 cwt. Also, in refrigerated warehouses and in the Atonison Cave facility were many millions of pounds of cheese, milk powder, butter, dry eggs, and other perishables. And -- let's not forget the potatoes and the processed commodities bought by USDA from farm surpluses for school lunch programs and other distribution.

T. & W.'s transportation specialists, every month, move about 1500 carloads of processed commodities and 3,000 cars of grains, like counters over the complex checkerboard of rail, water, or highway routes - via the shortest and most economical routes determined by the Division's freight rate specialists.

Mr. Boberski's capable and efficient staff also locates storage space, when needed, for CCC commodities and surveys suitability of refrigerated or grain storage facilities for housing the Agency's holdings. Currently, the Division has under approval 1600 public warehouses for storing perishables and about the same number for grain storage in the five states.

We almost forgot Commodity's Administrative staff. Look for it next week.

ON THE CALENDAR

Monday, September 18-21	Springfield - National Association of State Directors of Agriculture
18	Chicago - Mineral Feeds Association
18-22	Educational meetings of potato growers in North Central states regarding amendments to marketing order.
18-23	Referendum of potato growers Nebraska-Wyoming area
Tuesday, September 19 - 21	St. Paul - U of Minnesota dairy products institute
Wednesday, September 20	Chicago - Area grain trade committee meeting with PMA
Thursday, September 21	W. Lafayette - Purdue short course for veterinarians
Friday, September 22	St. Paul - U of Minnesota swine feeders day
Sunday, September 24-26	Kansas City - Grain and feed dealers national association
Monday, September 25	Jamestown, North Dakota - State dairy show
25-30	Referendum of potato growers, North Central states
Tuesday, September 26-28	St. Joseph, Missouri - Interstate 4-H beef and pig show
26	Lake City, Michigan - Turkey school, MSC experimental farm
Wednesday, September 27	Stevens Point, Wisconsin - Wisconsin Creameries Association
Thursday, September 28	Chicago Stockyards - Junior market hog show
Friday, September 29-Oct. 3	Chicago - American Meat Institute
September 29-Oct. 8	Omaha - Ak-Sar-Ben livestock show
September 29	Ames - Nutrition school for Iowa feed manufacturers
Saturday, September 30-Oct. 7	Waterloo, Iowa - Dairy Cattle Congress
September 30	Chicago - National Poultry, Butter & Egg Association
September 30	Final date for re-sealing 1949-crop corn

GENERAL

Secretary Brannan was scheduled to attend the annual meeting of the National Association of Secretaries of Agriculture in Springfield, Illinois today through Wednesday. Others from Washington attending are C. B. Bowling of the Transportation and Warehousing Branch, and Roy Lennartson, L. G. Foster and Leo Card, from the Office of the Assistant Administrator for Marketing.

Members of the field supervision staff and a representative of the Office of Budget will continue the installation of the work status report in PMA Commodity Offices: C. G. Pulvermacher will be in Minneapolis Monday and Tuesday and in Chicago the rest of the week, M. L. Reddick will be in Kansas City, Mo. all week.

OFFICE OF AUDIT

R. L. Wright, Assistant Chief Auditor, visited the Minneapolis PMA Commodity Office last week and will be at the Kansas City PMA Commodity Office next week.

L. O. Lehman is conducting an audit at the Indiana State PMA Office and three selected county offices in that state. Ohio is his next "port of call."

Audits of State Agencies under the School Lunch program will be started as soon as the required Statements of Funds are filed. In general, School Lunch audit activity was considerably curtailed during the summer season but is now in full swing again.

Internal audits for the 1951 fiscal year have been started at each of the three PMA Commodity offices in this area.

COMMODITY CREDIT CORPORATION

Ralph S. Trigg, president of the CCC, reported September 8 that \$3,418,286,000 was invested in CCC price-support program loans and inventories July 31. Inventories acquired under loan, purchase agreement, and direct purchase operations represented an investment of \$2,598,804,000. Loans outstanding totalled \$819,482,000. The Corporation sustained a net realized loss of \$9,834,000 in carrying out support programs in July.

COTTON BRANCH

Sales of 1948 pooled cotton have reached a total of 2,334,100 bales, leaving about 1,447,000 bales unsold. Cotton prices reached new highs early in the week but later declined. Farmers in most sections were offering freely but rains have retarded picking and the new crop movement slowed somewhat.

DAIRY BRANCH

Price-Support Purchases and Sales, through September 9:

(Figures in Pounds)

<u>Product</u>	<u>Purchases Sept. 4-8</u>	<u>Total 1950 Purchases</u>	<u>1949-50 Purchases Unsold as of Sept.</u>
Butter A	59,456	84,158,173	(
Butter B	700,748	43,893,655	(191,800,000
Butter C	---	---	(
	<u>760,204</u>	<u>128,051,828</u>	
Cheese	1,675,040	102,566,811	106,100,000
Spray milk solids	3,140,030	244,772,395	(
Roller milk solids	415,660	93,943,550	(320,700,000
	<u>3,555,690</u>	<u>338,715,945</u>	

<u>Product</u>	<u>Sales to Trade Week End. Sept. 8</u>	<u>1950 Sales to Domestic Trade</u>
Butter A	24,720	1,142,697
Butter B	---	5,669,561
Butter C	9,644	922,364
	<u>34,364</u>	<u>7,734,622</u>
Cheese A	144,778	6,718,223
Cheese B	2,692	1,046,876
Cheese C	---	395,311
	<u>147,470</u>	<u>8,160,410</u>
Spray milk solids	56,250	56,250
Roller milk solids	72,000	213,800
	<u>128,250</u>	<u>270,050</u>

FATS AND OILS BRANCH

Bids were invited for government purchase of approximately 1,325,000 pounds of refined or unrefined lard for the Department of the Army for shipment to Okinawa. Offer closed Sept. 15.

FOOD DISTRIBUTION PROGRAMS BRANCH

Under the provisions of Section 416 of the Agricultural Act of 1949, State distributing agencies have placed since January 1950 orders totaling approximately 16 million pounds of butter, 9 million pounds of cheese, 3-1/2 million pounds of dried eggs, 7 million pounds of non-fat dry milk solids, and over 100 million pounds of Irish potatoes. These foods are regularly being made available to nonprofit school lunch programs, charitable institutions, and many welfare families.

* * *

Hal B. Bolin has gone to Ohio to work on food preservation programs this week. Kent A. Feltz is in Kansas City through Thursday to take charge of a Plentiful Foods exhibit at the annual convention of the Missouri Restaurant Association. William Russell and Art Siemers are traveling in Minnesota and Michigan, respectively, on school lunch and trade relations work.

FRUIT AND VEGETABLE BRANCH

The Midwest reports its pack of canned corn will be much less than last year. Cool weather has delayed Iowa harvesting and some Wisconsin areas have already experienced light frosts.

Purchase of 1950 crop Irish potatoes through September 12 totaled 5,798,960 hundredweight. Of this amount 1,764,832 hundredweight went to livestock feed; 18,329 to penal institutions; 251,255 to Section 416; and 3,764,544 to re-sale.

The honey export subsidy program on September 9 stood at 6,694,158 pounds and \$301,237; the honey diversion program at 60,000 pounds and \$2,250.

* * *

USDA announced September 11 the issuance of an order fixing at 50,000,000 pounds the salable quantity of 1950 crop hops grown in Oregon, California, Washington, and Idaho which may be handled as hops or in the form of hop products under the Federal marketing agreement and order which became effective July 2, 1949. Announcement of proposal was made by the Department on August 16, 1950.

* * *

Upon recommendation of the Oregon-California Potato Committee, a regulation was issued effective September 18 through June 30, 1951, requiring potatoes shipped from the area to be limited to U. S. No. 2 or better grade. In addition to the minimum grade requirements the size must be at least 2 inches in diameter or 4 ounces minimum weight.

(more)

FRUIT AND VEGETABLE BRANCH (Cont'd)

Fresh Products

Ten visiting French agriculturists, in the U. S. under arrangement of the ECA, will spend Monday and Tuesday viewing inspection work on fresh vegetables and fruits in Chicago.

* * *

Earl Biddick and Joseph E. Prather will attend the meeting of the state commissioners of agriculture to be held at Springfield, Monday through Wednesday.

* * *

Joseph E. Prather, supervisor of shipping point inspections in Wisconsin and Illinois, now is headquartering at Madison. His office is with the Wisconsin Division of Markets in the State Capitol building. He will continue to supervise the inspection in the two states from there, and will be in charge of destination inspection at Madison.

Edgar F. Johnson has been transferred from Washington to Minneapolis where he is assistant to George W. Christensen.

* * *

Market News

George Levka is on temporary appointment for two months with the market news office.

Regulatory

Preparations for the marketing agreement and order referendum to be held next week by mail in six Midwest states continue this week. Meetings are scheduled this week in Michigan, Wisconsin, Indiana, Minnesota, and North Dakota. R. E. Keller and Oscar H. Chapin, the latter of Washington, are in Michigan to conduct the meetings. Robert P. Calloway, also of the Washington office, and Victor A. Ekstrom have gone to Wisconsin for the sessions there. Monday, E. E. Gallahue, of Washington, and Sherman Pobst, of the Dallas office, conducted a meeting at East Grand Forks, Minnesota, for North Dakota and Minnesota potato growers. A. C. Cook, Washington, attended the Indiana meeting Tuesday.

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Announcement was made of an export payment program effective September 11, designed to stimulate exports of apples and winter pears. Payments equaling 50 percent of the export sales price, basis f.a.s. U. S. ports - but not more than \$1.25 per bushel or box - will be made to U. S. exporters who export fresh apples and pears of specified grades at the reduced prices made possible by the payment. Such exports may be made to ECA participating European countries and most of their participating dependent overseas territories and to cash paying countries except Canada, Cuba, Mexico, and Venezuela. Apples of any variety, produced in the continental U.S., will be eligible for export under this program, but pears will be limited to Anjou, Bosc, Comice, and Winter Nelis varieties produced in Oregon, Washington, and California.

GRAIN BRANCH

Dr. Lawrence Zellany, Chief, Standardization Research and Testing Division, will be in Wooster, Ohio; Chicago; Kansas City, Mo.; Manhattan, Kans.; Minneapolis; and other points in these states, to confer with federal and state officials, officials of commercial laboratories and others regarding research work on grain programs. William A. Noel, Marketing Research Specialist, will be in Lansing and other points in Michigan, September 16-26, to confer with PMA State and county officials, State Experimental station personnel, and others in connection with operation of grain drying equipment for CCC grain storage and conditioning project.

* * *

1951 crop flaxseed will be supported at an average price of \$2.65 a bushel. This year (for the 1950 crop) the average farm support price, based upon 60 percent of the parity price for flaxseed as of April 1, 1950, is \$2.57 a bushel. Price support for the 1951 crop is announced at this time in accordance with the provisions of the Agricultural Act of 1949 well in advance of the planting season.

* * *

The price of 1951-crop oats, barley, and rye will be supported under permissive provisions of the Agricultural Act of 1949, through farm-storage and warehouse-storage loans and purchase agreements made available by the CCC. The loans and purchase agreements will be available from harvest time through January 31, 1952. Announcement made Sept. 13.

* * *

During the period August 30 to Sept. 5, 1950, inclusive, CCC confirmed sales of 8,859,000 bushels of wheat (including wheat and wheat flour in wheat equivalent) under the International Wheat Agreement against 1950-51 Wheat Agreement quotas. Sales included 116,000 hundredweight of flour (268,000 bushels of wheat equivalent) and 8,591,000 bushels of wheat. Principal buyers were Germany, Norway, Nicaragua, and the Netherlands.

LIVESTOCK BRANCH

Meat production under Federal inspection during the week ended September 9, totaled 262 million pounds, USDA reported. Total production was down 11 percent from 295 million pounds in the preceding week, but was about the same as the 261 million pounds recorded for the same week last year.

POULTRY BRANCH

Dried whole egg purchases for price support dropped off substantially this week, the total purchase amounting to only 598,190 pounds with cancellations at 141,514 pounds. All of the powder bought this week is for September delivery. Total purchases for 1950 so far now stand at 80,952,918 pounds.

Sales under the export program picked up considerably, the week's total amounting to 112,660 pounds at 20 cents f.o.b. the warehouse and 30 cents f.a.s. New York. Total sales under this program now amount to 3,597,294 pounds.

Branch Director W. D. Termohlen spent last Monday and Tuesday in Chicago in conference with members of the American Farm Bureau Federation Poultry Advisory Committee. The committee is preparing recommendations concerning poultry and eggs which will be presented to the Bureau for consideration as a part of the organization's farm program.

Mr. Termohlen also spent last Thursday in Trenton, New Jersey, where he conferred with State Department of Agriculture officials, North Eastern Poultry Producers' Council Exposition representatives, and others interested in details of the Department's new grading and inspection program for dressed and drawn poultry.

* * *

PMA announced the purchase of dried eggs will be continued during October, November, and December at levels reflecting to producers a price of at least 25 cents a dozen (27 cents a dozen when delivered by the producer to the plant of the drier.) This will be a continuation of the support program that has been in effect since January, and at the same producer price levels.

SUGAR BRANCH

USDA's monthly report on the status of the 1950 sugar quotas for the various sugar producing areas supplying the U.S. market issued Sept. 8. The report shows that the quantity of sugar charged against the quotas during January-August amounted to 5,801,004 short tons, raw value (partly estimated) as compared with 5,315,465 tons charged against such quotas during the same period of last year.

* * *

At the request of the President of Cuba, CCC has agreed to make available to the Cuban Government on a loan basis up to 25,000 tons of raw sugar which is being held in Cuba for the Corporation. The loan is made from reserve stocks of 162,000 tons, set aside for unexpected requirements.

(more)

SUGAR BRANCH (Cont'd)

An increase in sugar quotas for the Dominican Republic, Haiti, and Peru was made September 11. This increase results from proration of the sugar quota for foreign countries other than Cuba and the Republic of the Philippines which was unfilled on September 1.

* * *

Following quantities of CCC-owned Cuban sugar for shipment not later than October 18, 1950 were assigned by CCC:

American Sugar Refining Company - 30,240 short tons
National Sugar Refining Company - 25,200 short tons
Savannah Sugar Refining Corporation - 5,040 short tons.

* * *

H. J. Craig will be in North Dakota, Montana, Washington, Oregon, Idaho, Wyoming, and Nebraska September 18 to October 30 to discuss 1949-50 sugar beet program with state and county officials.

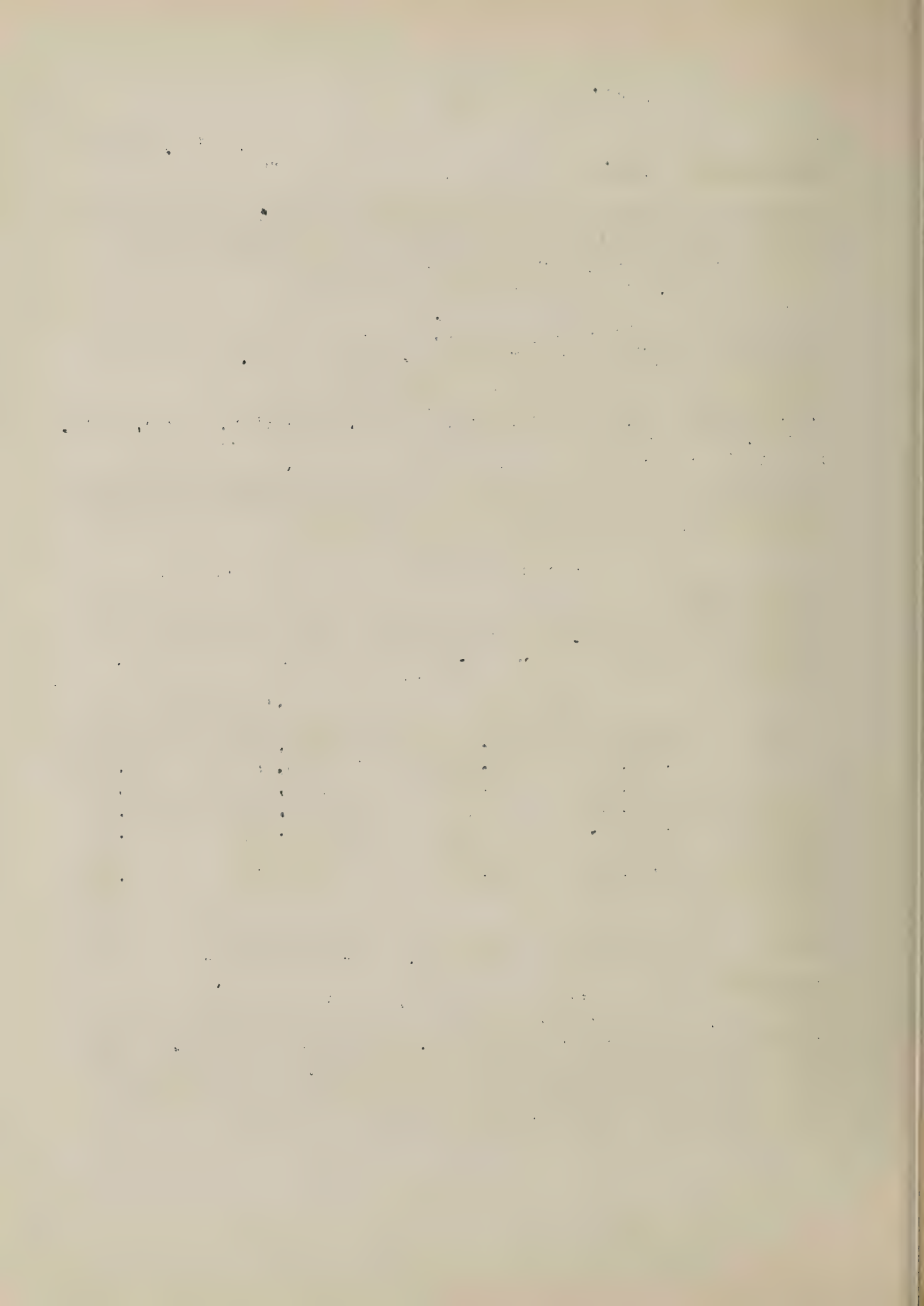
TOBACCO BRANCH

Gross sales in all flue-cured types to date and for a comparable period last year:

	1950 Crop		1949 Crop	
	Through Tuesday, Sept. 12		Through Tuesday, Sept. 12	
	Gross Sales	Average Price	Gross Sales	Average Price
	(lbs.)	(cents)	(lbs.)	(cents)
Type 14	141,202,074	48.00	154,869,578	39.86
Type 13	243,727,871	56.02	263,416,979	48.96
Type 12	185,637,004	56.68	190,595,265	44.96
Type 11 (b)	42,419,419	57.89	30,418,117	46.09
Type 11 (a) Opens Sept. 14			10,325,058	49.04
Total	612,986,368	54.50	649,624,997	45.48

Naval Stores

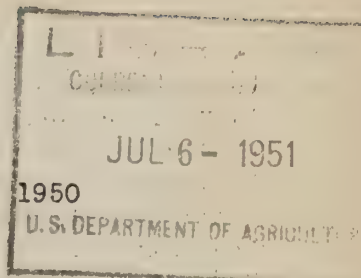
Producers received prices averaging \$24.09 per standard barrel of 435 pounds of crude pine gum during the week September 4 to 9. This was above the previous week's average of \$22.54. The 19 reporting plants received 14,926 standard barrels of gum or 786 barrels per plant as compared with average receipts of 1,242 barrels a week ago.



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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION

Information Branch
623 South Wabash Avenue
Chicago 5, Illinois



FOR ADMINISTRATIVE USE ONLY

September 25, 1950

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: John C. Baker, Chief, Information Branch, Midwest Area

THIS WEEK'S SPOTLIGHT

Administrative Staff - Chicago Commodity Office

In the last six issues of the "Summary" we have reported the functions, general operation, and objectives of Chicago's Commodity Office - covering the various divisions and the personnel through which George Bradley and his two assistant directors carry out the programs assigned to the Office by Washington. The Chicago office is carrying out a big job -- a "billion dollar" operation. Its impact on Midwest agriculture is, and has been, tremendous. Its success is reflected in the favorable position of agriculture in the national economy, compared with 17 years ago when CCC was born.

We have often asked ourselves as we noted the large staff of 600 men and women of the Commodity Office who work at 623 South Wabash -- supervisors, typists, clerks, stenos, bookkeepers, machine operators, file clerks, messengers, division chiefs, and the Director's Staff -- what makes this office tick. The answer is Director Bradley's Administrative Staff group. This group is under the immediate supervision of Maurice H. Kennedy. It is comprised of 15 administrative specialists and clerical employees.

It would be difficult to report all the multiple special responsibilities assigned to the Administrative Staff group. We will try to report only the general scope of its responsibilities.

(A) Reviews of all requests for personnel actions and interviewing of all job applicants referred by the Area Personnel Division. Staff specialists know the special skills and training required in the various divisions of the Commodity office and, select the applicants who meet these requirements.

(B) Prepares the administrative operating procedure under which all divisions carry out their functions and reviews all division procedures to see that each division operation fits and works efficiently with those of the other divisions. In short, assuring a smooth and efficient operation for the entire office.

(more)

(C) Prepares the budget, man-month, management improvement, work status, and other administrative reports affecting the office as a whole. This represents the over-all responsibilities for making reports to Washington of the progress of work of the office -- in terms of actual work and results accomplished. In this connection, the Staff also compiles and prepares the data for the quarterly request for funds to operate the office, including such items as payrolls and travel expenses.

(D) Reviews all employee suggestions for improvement and savings in operation of CCC programs. All of you have been advised by bulletins and pamphlets of this program for bettering management-employee relations and office efficiency. Mr. Kennedy's group has received 43 suggestions from personnel in the Chicago Commodity Office since January 1. Three cash awards have been made during this period to local employees. At present, 9 suggestions are pending for final disposition by Washington. The Director has recommended awards totaling about \$1,000 for these 9, on the basis that the suggestions would effect savings to CCC of \$45,056. Others are being processed.

In addition to the above major functions, this group is responsible for maintenance of all dockets and delegations of authority; preparation and review of requests for supplies; duplicating work; supervision of and maintenance of office furniture and equipment; mail room services; general correspondence files; disposal of obsolete files and records; and many other services required in the operation of a major business office.

This review of the functions of the Administrative Staff, as we noted above, is incomplete. A comprehensive outline would require most of the space available for other necessary reports in the Summary. The report completes our review of Chicago's Commodity Office, an agency we in U.S.D.A. can all justly be proud of.

Next Week -- Market News - Livestock Branch

ON THE CALENDAR

Monday, September 25-30	Referendum on Potato Marketing Order No. 60.
Tuesday, September 26-28	St. Joseph, Missouri - Interstate 4-H Beef and Pig Show
September 26	Lake City, Michigan - Turkey School
Wednesday, September 27	Stevens Point - Wisconsin Creameries Assn.
Thursday, September 28	Chicago Stockyards - Junior Market Hog Show
Friday, September 29-October 3	Chicago - American Meat Institute
September 29-October 8	Omaha - Ak-Sar-Ben Livestock Show
Saturday, September 30-Oct. 7	Waterloo, Iowa - Dairy Cattle Congress
September 30	FINAL DATE FOR RESEALING 1949-CROP CORN
Sunday, October 1	Date for establishing parity on corn price support
October 1	Date for establishing parity on most types of tobacco
October 1	Chicago - National Egg Products Association
Monday, October 2-6	Chicago-First half of administrative training course for PMA branch officials
October 2-4	Milwaukee - North Central States seed control conference
October 3	Indianapolis - Indiana Restaurant Association
October 3-4	St. Paul - Minnesota Creamery Operators Assoc.
October 4-6	W. Lafayette - Purdue short course for veterinarians
	E. Lansing, Michigan - State College meats conference
October 7-14	Indianapolis - International Dairy Exposition

ADMINISTRATOR'S OFFICE

FMA has received main burden of responsibility for food and fiber production and distribution, assigned to Department of Agriculture under National Defense Act recently passed by Congress. Administrator Trigg on September 20 announced existing branches including state and county committees will have basic responsibility for carrying out activities assigned to FMA. Five new units have been formed in FMA.

1. Office of Requirements and Allocations - F. M. Rhodes, chief.
Coordinating office on food supply, requirements, production adjustments.
2. Office of Materials and Facilities - L. B. Taylor, Chief
Requirements of materials and equipment for producing, processing and distributing food, and negotiations for these items.
(more)

ADMINISTRATOR'S OFFICE (Cont'd)

3. Administrator's Program Staff - H. I. Dunkelberger, Chief
Assist Administrator's office in development of defense program policies.
4. Price Staff - J. M. Thompson, Chief
Make recommendations on prices, with regard to production, allocation of food supplies, etc.
5. Food Distribution Branch - Leonard R. Trainer, Chief
Formerly Food Distribution Programs Branch, with added responsibilities for distribution of food supplies.

Price Support and Foreign Supply Branch and Program Management Staff have been abolished, and functions reassigned.

ADMINISTRATIVE SERVICES

Royce Dodge, assistant chief, Administrative Services Division, is in Washington this week attending a national conference of assistant chiefs of the 5 PMA area administrative offices. It's the first conference of assistant chiefs of this division ever held in Washington and gives them a chance to meet Washington personnel and see how operations of the division are executed at the top.

COTTON BRANCH

Prices for Middling 15/16 inch cotton averaged 41.01 cents per pound in the 10 spot markets on Thursday, September 21, as compared with 40.87 a week earlier and 29.89 a year ago. The price of 41.14 cents on Friday, September 15 was the first time since July 1920 that the spot price for Middling 15/16 was above the 41-cent level. However, in August 1864, at the close of the Civil War, cotton reached the all-time high of \$1.78 a pound.

Rain throughout the cotton belt has retarded movement of the new crop. Stocks of government-financed cotton have been reduced sharply during the past two months. Nearly 2-1/4 million bales of 1948-crop pooled cotton have been reported sold since July 15. In the same period loan repayments have been reported to CCC on nearly 650,000 bales of 1949 ^{crop} cotton. Around 3-3/4 million bales of 1948 crop were pooled for producers' account on August 1, 1949. About 2.6 million bales of this total have been sold leaving around 1.2 million bales in pooled stocks. Loan repayments have been made on over 3 million of the 3.2 million bales of 1949 cotton pledged to CCC loan during the 1949-50 season.

DAIRY BRANCH

The butter situation has entered a new phase with government sales exceeding government purchases during the week ending September 16 and the Chicago market price for butter going above the Department's selling price. Price support purchases for the week totaled 230 thousand pounds while sales to the trade amounted to 394 thousand pounds. Meanwhile, the market price for Grade A butter at Chicago reached 63 to 63-1/2 cents a pound. The government's selling price is 63 cents. Also significant is the fact that butter sales to the trade have begun in September of this year whereas sales a year ago did not begin until mid-November.

(more)

DAIRY BRANCH (Cont'd)

Cheese has been designated as No. 1 Plentiful Food during October, and will receive special attention by Food Distribution Branch and Information Branch. Total holdings of cheese September 1 were 314 million pounds, a record figure.

* **

There will be no FMA milk marketing order in Akron, Ohio. In a referendum on September 13, milk producers of surrounding counties voted only 63.77 per cent in favor of an order, just short of the required vote of 66.66 per cent.

FMA announced sale of 44 million pounds of dried skim milk to Denmark for animal feed. CCC stocks are reduced to 318 million pounds, out of total of 660 million pounds bought for price support during past 18 months.

Price Support Purchases and Sales, through Sept. 15

(Figures in Pounds)

<u>Product</u>	<u>Purchases Sept. 11-15</u>	<u>Total 1950 Purchases</u>	<u>1949-50 Purchases Unsold as of Sept. 15</u>
Butter A	----	84,125,725	{ 189,800,000
Butter B	229,790	44,079,893	
Butter C	----	-----	
	<u>229,790</u>	<u>128,205,618</u>	
Cheese	1,543,367	104,086,272	106,600,000
Spray milk solids	3,034,146	247,740,541	{ 322,900,000
Roller Milk			
solids	294,560	94,048,310	
	<u>3,328,706</u>	<u>341,788,851</u>	

<u>Product</u>	<u>Sales to Trade Wk. End. Sept. 15</u>	<u>1950 Sales to Domestic Trade</u>
Butter A	242,508	1,385,205
Butter B	151,710	5,821,272
Butter C	----	922,364
	<u>394,218</u>	<u>8,128,841</u>
Cheese A	---	6,718,223
Cheese B	---	1,046,875
Cheese C	---	395,311
		<u>8,160,410</u>
Spray milk solids	---	213,800
Roller milk solids	---	476,250
		<u>690,050</u>

Edward Small will spend next week in Tennessee, inspecting CCC holdings of butter, cheese, and powdered milk. He reports that inspections of butter for sale to CCC have decreased recently, and inspection of CCC butter for re-sale to the trade has increased.

FOOD DISTRIBUTION BRANCH

Under instructions issued by Administrator Trigg on September 18, the Food Distribution Programs Branch was renamed the "Food Distribution Branch" and was assigned specific responsibilities for carrying out purposes of the Defense Production Act of 1950. Determining food needs of the civilian population and taking steps to see that sufficient foods are allocated are principal responsibilities assigned. These are in addition to present programs involving distribution for school lunch, public institutions, welfare, and promotion of consumption of plentiful foods.

Leonard Trainer, Director of Food Distribution Branch, Washington, will speak before the national convention of School Business Officials in Chicago on Wednesday. He will spend preceding and following days in Chicago area office.

School lunch funds apportioned to the various states were announced on September 21. Total funds made available by Congress, total \$83.5 million; of this, over \$64 million is allocated to the states, with \$17 million available to USDA for buying foods to be distributed to schools as a supplement to foods bought locally.

Funds are allocated on basis of a formula which takes into account numbers of children and per capita income in each state. Allocations for Midwestern states are as follows:

Illinois - \$2,222,685; Indiana - \$1,497,999; Iowa - \$899,920; Michigan - \$2,320,387; Minnesota - \$1,174,348; Missouri - \$1,508,764; Nebraska - \$468,987; North Dakota - \$257,947; Ohio - \$2,596,920; South Dakota - \$235,876; Wisconsin - \$1,248,401.

Chicago area office has notified state agencies that failure of proposed legislation makes it necessary for the states to continue to pay freight and repackaging costs in distribution of surplus foods.

Plentiful Foods, -

Plentiful Foods for October: Cheese, onions, cabbage as featured items. Others: eggs, broilers, fryers, hens, turkeys, peanut butter, dry beans, Irish potatoes, sweet potatoes, processed cranberries, butter, and honey.

A special drive to increase the consumption of cheese will be conducted under the Plentiful Foods Programs. This merchandising campaign will support the industry-wide effort to increase cheese consumption during October.

Direct Distribution

Schools will receive additional 5.8 million pounds of frozen turkey for school lunch programs. This is remainder of 8.6 million pounds of turkey bought by CCC to support price to turkey growers and distributed for school lunches.

Offers were accepted last week for over 20 million pounds of canned tomatoes for distribution to schools participating in the National School Lunch Program. This purchase is being made under Section 6 of the School Lunch Act, which authorizes the Secretary to use a portion of the annual school lunch appropriation for the direct purchase and distribution of foods for schools. Delivery of those canned tomatoes is scheduled to begin on October 9.

FOOD DISTRIBUTION BRANCH (Cont'd)

Food Preservation

Hal Bolin is in Michigan this week, working on food preservation and storage problems in schools of that state.

FRUIT AND VEGETABLE BRANCH

Potato growers in North Dakota, Minnesota, Wisconsin, Michigan, Indiana, and Iowa attended educational meetings last week to discuss the proposed amendments to Marketing Order 60, which has governed marketing of potatoes in first four named states since 1947. Indiana and Iowa would be added under proposed amended order. Price support for remainder of crop year and continuation of the marketing order depend on whether two-thirds of growers, by number or volume of production, vote favorably in referendum being conducted by mail this week, September 25-30. R. E. Keller, Fruit and Vegetable Branch, Chicago, has been designated as agent for Secretary of Agriculture in conducting referendum.

Mr. Keller, Sherman Pobst, and Victor Ekstrom of the Chicago office, and Edward Gallahue, R. P. Callaway, Oscar Chapin, and A. C. Cook of the Washington staff assisted state FMA committee members in conducting the meetings.

- - -

Potato growers of Nebraska and Wyoming voted last week in a referendum on a proposed marketing order for that area.

Potato purchases during the past week amounted to 525,072 hundredweight, as compared with 801,697 hundredweight for the previous week. This purchase placed the total buy for the year (through September 19) at 6,324,032 hundredweight against 4,378,530 hundredweight for the same period last year.

Disposition of 1950 potato purchases so far: Livestock feed, 1,955,777 hundredweight; Section 416, 314,244 hundredweight; Penal institutions, 18,329 hundredweight; dumped, 4,035,682 hundredweight.

A total of 989,713 pounds of potato starch was sold by CCC during the period August 20 to September 20, leaving the inventory of this commodity at 6,345,553 pounds. Maine starch plants are beginning 1950 operations.

Wholesale and retail food merchandising problems will be discussed at a meeting at Washington September 25 and 26 between Department representatives and a 10-man Advisory Committee on Food Merchandising. This committee was appointed by the Agricultural Research Administration. The committee will advise on re-orientation needed in Research and Marketing Act work on merchandising in the light of the present emergency.

(more)

FRUIT AND VEGETABLE BRANCH (Cont'd)

Inspectors in the processed foods division have been reassigned to tomato and catsup packing plants in Ohio and Indiana, and sweetpotato plants further south as a result of orders for those products by the Department of Defense. Most of the plants report that the harvest and packing of tomatoes will come to a close this week.

Max Austin, chief of the processed foods division will visit food processing plants in Michigan this week, supervising the work of inspectors.

GRAIN BRANCH

(Not for statement to trade press)

Early estimates are that 1950-51 disappearance of feed grains will be larger than a year earlier because of increased feeding and larger food and industrial usage. Total disappearance of corn during next twelve months may set a new high record of more than 3,350,000,000 bushels. For twelve months ending this month, the total has been estimated at 3,253,000,000 bushels. Combination of smaller supply and increased disappearance may result in pulling October 1951 corn carryover below 750 million bushels as compared with estimated carryover of 950 million this October.

- - -

Price support for winter cover crop seeds in 1951 has been set: hairy vetch 14.70 cents per pound; common vetch, Willamette vetch, and roughpeas, 6 cents; crimson clover, 16.5 cents; blue lupine 4 cents. Those prices for hairy vetch and roughpeas are slightly higher than last year; lower on other seeds. No support was announced for Austrian peas. Kobe lespedeza not included in winter cover crops program

- - -

Sales of wheat under International Wheat Agreement September 13-19 totaled 2,737,000 bushels. Mexico, Belgium, Norway, and Peru were principal buyers.

- - -

CCC has added over 700 million bushels to nation's grain storage capacity since 1941. Latest addition comes from purchase of 93 million bushels of bin-type storage. Increase comes not only from storage structures bought by CCC, but also loans to farmers for increasing their storage; increases in commercial storage under guarantees that CCC will use the space; and space made available in airplane hangars and idle ships.

INFORMATION BRANCH

John Baker, chief, spent last week in Michigan, publicizing the referendum of potato growers on Marketing Order No. 60.

Paul Ostendorf is visiting Minneapolis, St. Paul, and Omaha this week, contacting FMA market news reporters, newspapers, and radio stations on dissemination of market news.

LIVESTOCK BRANCH

Officials say the size of this year's spring pig crop -- a record large peacetime production and three percent more than last year's means large marketings during the next two or three months. They believe that farmers should take their cue from last year when orderly marketing of hogs paid off in gradually instead of drastically declining prices.

So far this year marketing of spring pigs has been running behind those of a year ago, and, if this continues, officials say that it could mean price trouble later on. Topping herds now by moving hogs that are at desirable weights and are ready for market is a preferred practice.....rather than following one of carrying more hogs into December and January, feeding to heavy weights and risking lower prices.

Excessive weights later on mean more lard...which is in heavy supply now. Relatively, lard prices are well below those for red meat and in past months this has resulted in rather substantial discounts for heavy hogs.

Livestock men say that farmers did an excellent job of marketing their hogs in an orderly manner last fall...they started moving hogs early at lighter weights than in previous years...and then maintained an even distribution throughout the marketing period.

- - -

The annual convention of the American Meat Institute in Chicago, brings two representatives of the Livestock Branch in Washington to the city this week-end: John Pierce will report on research in effect of feeds on meat quality, and Fred Beard will present the Department's proposals for new standards for hog grades to the Institute.

Meat production for the week ended September 16 totaled 311 million pounds, about the same as a year ago, and 19 per cent above production of preceding week. Biggest increase was 28 per cent in hogs.

PERSONNEL

Maurice Ward, chief, and S. E. Levka, position classifier of the Area Personnel Office, will be in St. Paul, Minnesota, to survey and set up a reorganization plan for the Minnesota PMA office.

Harold Gross, area classification officer, Hickman Greene, representing the Dairy Branch, and Richard Utting, of the Washington PMA personnel division classification staff, have completed 9 days of survey and planning with the staffs of the Milk Market Administrators at Rock Island and Chicago. Their objectives -- to develop official position titles and guide lines to serve as the basis for position allocations when the staffs of the Milk Market Administrator's office go under Civil Service January 1, 1951.

- - -

William Hackenschmied and Gerhard Wacker, German Ag teacher and farm adviser, respectively, who have been guests of the PMA area office since September 11, will complete their tour of Chicago and Midwest industrial agricultural activities Tuesday, and return to Germany. They will visit International Harvester Co. offices and plants on Monday and finish Tuesday inspecting PMA's Chicago Dairy & Poultry inspection and grading services.

POULTRY BRANCH

Purchases of dried whole eggs for price support last week amounted to 748,967 pounds -- all for September and October delivery. Cancellations totalled 192,194 pounds, leaving the net buy for the year so far at 81,505,691 pounds.

Sales were fairly heavy under the export program, a total of 175,250 pounds being moved at 20 cents f.o.b. the warehouse and at 30 cents f.a.s. New York. Total sales now stand at 3,772,544 pounds.

Hermon I. Miller, Associate Director of the Branch, will speak October 1 before a meeting of the National Egg Products Association to be held in Chicago. Mr. Miller's talk will deal chiefly with the future of the egg industry.

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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

JUL 6 - 1951

FOR ADMINISTRATIVE USE ONLY

October 24, 1950 DEPARTMENT OF AGRICULTURE

MIDWEST INFORMATION SUMMARY

TO: PMA Offices, Midwest Area
FROM: Vincent P. Freymann, Acting Chief, Information Branch
V.P.F.

THIS WEEK'S SPOTLIGHT

Livestock Market News

Any farmer with cattle, calves or sheep to sell has practically at his fingertips the services of qualified market observers to help him get the best price for his animals.

By merely flicking the dial of his radio or turning to his newspaper, he can draw on the talents and experience of these observers. They are part of the nationwide Livestock Market News Service, through which PMA keeps farmers advised of up-to-the-minute news on market conditions and prices.

Thirty-seven permanent livestock market news offices, most of which are linked together by thousands of miles of leased wire, are daily abuzz with the work of collecting and disseminating the market information. Rain or shine, reporters daily tramp runways and climb in and out of livestock pens in order to get the news...get it straight...and get it out.

The offices are located mostly at terminal markets like Chicago, Omaha, or Sioux City. Some operate under agreements with cooperating States, such as the office at Des Moines, Iowa. That particular office reports on livestock sold in the area of Interior Iowa and Southern Minnesota. A similar operation, covering sales in certain sections of the South, is conducted from the Thomasville, Ga., office.

Each of the 37 offices has from one to four reporters, depending upon the size of the market at which it is located.

Chicago, the biggest livestock market in the country, has four reporters and a clerical staff of 12. The office is headed by L. M. "Lem" Wyatt and is located at 999 Exchange Avenue in the stockyards proper.

Wyatt himself, usually covers the hog trade, while Marvin Henning and Milt Chapman "work" the cattle market. Horace Latham is usually seen making the rounds in the sheephouse.

(more)

Their work day usually begins - and ends - with a change of clothes. Outside in all kinds of weather, a variety of clothing and footwear is essential in their office wardrobe.

Before heading into the stockyards alleys and pens, the reporters first check on the expected livestock supplies at Chicago and elsewhere. Previous day's price relationships with other markets and any other factors likely to influence the course of prices are also checked. This is not only for the reporters own guidance, but to meet the requests for such information from trade members when the reporters arrive on the market.

Usually by 8:00 o'clock, Wyatt and his men are making their rounds, talking to buyers and sellers and observing personally as many actual transactions as possible. While making their rounds, they telephone the office several times to send out brief reports. By about 11:00 o'clock or so, they have enough information to prepare a comprehensive report. After time out for lunch, they are again on the market until trading comes to a close. This is seldom later than 2:00 p.m., when a closing report of the market is made.

While reporters are at work in the yards, the office staff sees that the information is placed quickly on the leased wire to other markets, telephoned to press associations, radio stations, newspapers and other outlets. Daily switchboard calls to the office for information on specific markets run into the hundreds.

Many of the market news reporters themselves broadcast reports by remote control direct from the market. Wyatt records a weekly review of trading which is heard each Saturday morning at 6:30 a.m. on WMAQ's "Town and Farm" program.

ON THE CALENDAR

Friday, Sept. 29-October 3	Chicago - American Meat Institute
Sept. 29-October 8	Omaha - Ak-Sar-Ben Livestock Show
Saturday, Sept.30-October 7	Waterloo, Iowa - Dairy Cattle Congress
Monday, October 2 - 6	Chicago - Administrative training course for PMA branch officials underway.
October 2 - 4	Milwaukee - North Central States seed control conference
Tuesday, October 3- 5	Indianapolis - Indiana Restaurant Association
October 3- 4	St. Paul - Minnesota Creamery Operators Assoc.
Wednesday, October 4-6	W. Lafayette - Purdue short course for veterinarians
	E. Lansing, Michigan - State College meats conference
Saturday, October 7-14	Indianapolis - International Dairy Exposition
Sunday, October 8-11	Cleveland - Ohio Retail Grocers Assoc.
October 8-14	National Fire Prevention Week
Monday, October 9-20	Annual farm outlook meetings start
Tuesday, October 10-11	W. Lafayette - Indiana Broiler Meeting-Purdue
October 10-11	Des Moines - Iowa Restaurant Assoc.
October 10-11	Chippewa Falls, Wis. - Wisconsin Buttermakers and Mfgs Assoc.
October 10-12	Cleveland - Mid-America Restaurant Assoc. Exp.

(more)

ON THE CALENDAR (Cont'd)

Wednesday, October 11-13	W. Lafayette - Indiana Poultry Assoc. -Purdue
October 11-13	Chicago - Co-Op League Congress
Saturday, October 14-18	Chicago - American Bakers Assoc.
October 14-21	Kansas City - American Royal Livestock Show and FFA National Convention

ADMINISTRATOR'S OFFICE

Administrator Ralph S. Trigg and Robert W. Herder, Assistant Administrator for Management, will visit PMA offices in Chicago October 4 and 5.

AUDIT BRANCH

R. F. Pauley, supervisor of internal audits, assisted by auditors L. O. Lehman and P. J. Thomas, will be at the Ohio State PMA office in Columbus this week to set up procedures and plans for the servicing of the records covering state and county office audits.

R. L. Wright, Assistant Chief Auditor, PMA, will inaugurate the audit verification of grain bin inventories in Wisconsin this week, assisted by auditor C. P. Collins. They will visit Madison and Baraboo. Auditor Collins will continue this assignment in the 11 states in the Midwest area.

Joe Scanlon returned to the Chicago office Monday after completing an audit of Bert Lyon, Kansas City, Missouri wool handler.

The 1951 fiscal year internal audit program is now under way in the three PMA Commodity Offices in the area -- Chicago, Minneapolis, and Kansas City.

COMMODITY CREDIT CORPORATION

Kansas City Commodity Office reports:

Loans: It is of special interest to observe that the number of loans made so far this year is 50% under that for the same period last year. This is particularly important with respect to space, personnel and inventory planning.

Grains: Winter wheat in this area will be going into the ground under ideal conditions, with plenty of sub-soil moisture.

The quantity of damaged wheat showing up at the markets is of considerable concern. Approximately one-third of all wheat receipts at terminal and sub-terminal markets show damage from 8% to as high as 50% total damage. Excessive moisture at harvest time and storing the grain wet are the chief causes of this condition.

Under the recent orders to cease shipments to defense plants and air bases which had been converted to storage facilities, we have shipped more than 1,000,000 bushels of milo to the Gulf for export. This is part of the movement to empty all such temporary storage facilities.

(more)

COMMODITY CREDIT CORPORATION, (Cont'd)

Cars: The car supply continues to be acutely short in this area. However, in spite of this condition, we were able to obtain equipment in the large terminals such as Kansas City, Omaha, and St. Joseph in sufficient numbers to accomplish the sizable task of moving 600,000 bushels of corn to Galveston, Texas, for scheduled export on the 26th of this month.

Processed Commodities: Movements of processed commodities have decreased considerably and acquisitions are at a lower level than they have been, due to an increase in market prices.

COTTON BRANCH

Middling 15/16 inch cotton averaged 40.92 cents per pound Thursday September 28 in the 10-spot markets. This compares with 41.01 cents a week earlier and 29.57 a year ago.

A new 30-year high of 41.20 cents was set September 23 but prices have since declined.

Weather conditions were favorable during the week and picking and ginning made good progress.

Carryover of upland cotton in the U. S. on August 1, 1950 averaged highest in grade since 1941. The high quality is due largely to the heavy disappearance of low grade, short staple cotton during the 1949-50 season.

DAIRY BRANCH

The U. S. Department of Agriculture has announced final approval of the proposed Federal order to regulate the handling of milk in the Milwaukee milk marketing area. Before the order can be put into effect, it must be approved in a referendum by three-fourths of the dairy farmers regularly supplying the market.

* * *

Effective October 1, a federal order regulates the handling of milk in the Memphis, Tenn., milk marketing area. The federal order was approved in a referendum by three-fourths of the dairy farmers regularly supplying the market.

* * *

Price-Support Purchases and Sales, through September 23:
(Figures in Pounds)

<u>Product</u>	<u>Purchases</u> <u>Sept. 18-22</u>	<u>Total 1950</u> <u>Purchases</u>	<u>1949-50 Purchases</u> <u>Unsold as of Sept. 22</u>
Butter A	---	84,125,815	(
Butter B	48,180	44,068,105	(185,200,000
Butter C	---	---	(
	<u>48,180</u>	<u>128,193,920</u>	

(more)

DAIRY BRANCH (Cont'd)

Price-Support Purchases and Sales, through September 23:

<u>Product</u>	<u>Purchases Sept. 18-22</u>	<u>Total 1950 Purchases</u>	<u>1949-50 Purchases Unsold as of Sept. 22</u>
Cheese	754,948	104,742,038	105,900,000
Spray milk solids	2,503,065	250,233,706	{
Roller milk			
solids	90,000	94,138,310	
	<u>2,593,065</u>	<u>344,372,016</u>	324,800,000

<u>Product</u>	<u>Sales to Trade Wk. End. Sept. 23</u>	<u>1950 Sales to Domestic Trade</u>
Butter A	2,960,393	4,345,599
Butter B	128,140	5,949,412
Butter C	216,882	1,139,245
	<u>3,305,415</u>	<u>11,434,256</u>
Cheese A	228,441	6,946,664
Cheese B	---	1,046,876
Cheese C	---	395,312
	<u>228,441</u>	<u>8,388,852</u>
Spray milk solids	126,000	602,250
Roller milk		
solids	343,800	557,600
	<u>469,800</u>	<u>1,159,850</u>

FATS AND OILS BRANCH

Beginning February, 1950 through September 27, 1950, CCC had made the following sales of cottonseed oil through its Dallas and San Francisco FMA Commodity offices:

<u>Sales of Crude Pounds</u>	<u>Sales of Refined Pounds</u>	<u>Total Sales Pounds</u>
1/ 151,459,516	46,652,952	198,112,468

1/ Includes 39,339,591 pounds sold for export to Canada, Germany, and Japan

Flaxseed and Resultant Linseed Oil - 1949 Program:

From April 18, 1949 to April 19, 1950, CCC had sold 7,549,515 bushels of flaxseed and had purchased 154,565,724 pounds of resultant linseed oil. On April 19, 1950, the operations were decentralized and the FMA Commodity Offices (New York, Chicago, Minneapolis and San Francisco) have since sold 5,617,069 bushels of flaxseed and purchased 112,450,807 pounds of resultant oil. This reflects through September 27, 1950, total sales of 13,166,584 bushels of flaxseed and total purchases of 267,016,531 pounds of resultant linseed oil. CCC book inventory of linseed oil totaled 533,541,000 pounds as of

(more)

FATS AND OILS BRANCH (Cont'd)

September 27, 1950, including oil acquired under the 1948 Processor Agreement.

Sales of Linseed Oil

Since July 1, 1950 through September 27, 1950, CCC sold the following quantities of linseed oil through its FMA Commodity Offices at New York, Chicago, and Minneapolis:

<u>Sales for Domestic Use</u> Pounds	<u>Sales for Export</u> Pounds	<u>Total Sales</u> Pounds
16,922,761	2,480,475	19,403,236

The oil content of soybeans produced in the southern states is generally higher than that of soybeans produced in northern states, but both the protein content of the soybeans and the drying capacity of the oil tend to be higher in northern grown soybeans. That's conclusion of a marketing study conducted under the Research and Marketing Act to help soybean processors determine which areas are most likely to produce soybeans containing certain desirable qualities. The report is entitled "Marketing Study of the Oil Content of Soybeans as Related to Production Areas and Climate."

FOOD DISTRIBUTION BRANCH

Plentiful foods to be featured during November are turkey, cranberries, and apples. Other items on the list include onions, cabbage, carrots, Irish potatoes, sweetpotatoes, hens, broilers and fryers, eggs, pork, cheese, cottage cheese, honey and butter.

USDA reports offers of 524,650 cases of canned tomatoes have been accepted for delivery from October 9 through November 30 under the National School Lunch Program.

O.F. Beyer spent Monday in Springfield, Ill.; conferring with Stelle Graff, state school lunch supervisor. Floyd Tuchscher will be in Iowa working with state agencies there through Wednesday. Art Siemers is traveling in South Dakota and Minnesota working on food trades and school lunch programs. Charles Croghan is in Indiana for the Indiana Restaurant Association meeting at Indianapolis. Hal Bolin is at Glenwood, Iowa, through Wednesday helping with plans for a food processing unit at a state institution there; Thursday he will give a demonstration on food freezing and canning techniques at Rosary College, River Forest, Illinois.

FRUIT AND VEGETABLE BRANCH

A proposed revision of the U. S. standards for grades of sulfured cherries has been placed in clearance channels for publication as notice of proposed rule making.

Purchase of 1950 crop potatoes through September 26 totaled 7,590,172 hundredweight. Of this amount 2,181,294 hundredweight went to livestock feed; 23,729 to penal institutions; 3,390 to experiment (mulch); 435,372 to Section 416; and 4,946,387 hundredweight to re-sale.

Export subsidy program through September 23 stood at: apples, 119,903 boxes - \$149,879; pears, 101,031 boxes - \$126,289; honey, 7,383,950 pounds - \$332,278.

* * *

Potato growers in the Wyoming-Western Nebraska production area have rejected a proposed marketing order in a referendum which was conducted throughout the production area during the period September 18-23, 1950, inclusive. Price support on 1950 crop potatoes will not be available to potato producers in the area.

Regulations have been issued limiting the shipment of all varieties potatoes from Maine, other than Bliss Triumph, to those of the U. S. No. 1 grade or better grade. They must be not less than 2-1/4 inches nor more than 3-3/4 inches in diameter. These limitations do not apply to shipments of Maine Four Star grade potatoes. Shipments of Bliss Triumph variety must be at least U. S. No. 1 grade and may not be below 1-7/8 inches minimum diameter. A maximum size is not prescribed for this variety. Regulations were effective October 1.

Fresh Products

Neal Sanborn is attending a meeting of state commissioners, directors, and secretaries of agriculture at Memphis, Tenn. this week.

E. L. Biddick will leave this week for a month's work on peanut inspection in Georgia, Texas, and Oklahoma. Next week he will assist with training meetings for peanut inspectors at Gorman, Tex., and Durant, Okla.

The Milwaukee office was closed, effective Sunday.

Processed Products

Two inspectors, William Saunders and Phyllis Walker, have gone to Louisiana to do inspection work at sweetpotato processing plants for the next three months.

Regulatory

Edward Gibson is in Oklahoma working on PACA licensing and will return to Chicago about October 23. Al Harris is spending this week in Cleveland investigating PACA complaints.

(more)

GRAIN BRANCH

The Production and Marketing Administration of the U. S. Department of Agriculture has estimated July-August exports of United States grains and grain products at about 67,934,000 bushels of grain equivalent as compared with 105,833,000 bushels of grain equivalent in the like period of 1949. About 40 percent went to ECA countries, 35 percent to Canada, India, Spain, the Philippines, Indonesia, Cuba, Mexico, Peru, and Venezuela, and about 17 percent to Germany and U.S. Pacific occupied areas.

Through August, farmers put 70,339,140 bushels of 1950-crop wheat, barley, oats, rye, grain sorghums and flaxseed under Commodity Credit Corporation price support. During the like period last year the 1949-crop support total for the same commodities was approximately 188 million bushels.

Farmers to September 1, had re-sealed 5,143,030 bushels of 1949-crop wheat, 1,375,384 bushels of oats, 953,601 bushels of barley, 107,362 bushels of rye, 113,034 bushels of grain sorghums, and 337,639 bushels of flaxseed.

* * *

USDA reports that during the period September 13-19 inclusive, the Commodity Credit Corporation confirmed sales of 2,737,000 bushels of wheat (including wheat and wheat flour in wheat equivalent) under the International Wheat Agreement against 1950-51 Wheat Agreement quotas. The sales included 82,000 hundredweight of flour and 2,547,000 bushels of wheat. Principal buyers were Mexico, Belgium, Norway and Peru. Cumulative sales to September 19, against 1950-51 quotas are 37,468,000 bushels.

* * *

Walter A. Davison, Chief, SeedAct Division, will attend the meeting of North Central States SeedControl Officials Association in Milwaukee, October 1-5. Wilson E. Westbrook will confer with state PMA committeemen and state PMA office personnel in Des Moines, Indianapolis, and Columbus next week.

PERSONNEL

The "Subs" - or - the "second string" - are administering USDA's programs in Chicago, this week as twenty-two staff members in administrative or supervisory positions take part in a course of administrative training, under the leadership of E. R. Draheim, USDA, Office of Personnel, Washington, D.C. The course is full time during the entire week, October 2-6, and a second session will be held through the week of October 16-21. Sixteen PMA staff members are included in the group.

Discussion leaders from various branches of government, from private industry, from leading colleges and universities, and from the group itself are scheduled to deal with topics covering many phases of administration.

(more)

POULTRY BRANCH

Dried whole egg purchases for price support dropped off slightly last week, the total buy amounting to 541,099 pounds as compared with 748,967 pounds the previous week. Cancellations were 220,747 pounds, making net purchases for the year so far 81,830,043 pounds.

Sales picked up slightly, a total of 256,872 pounds of dried whole eggs being sold for export at 20 cents f.o.b. the warehouse and 30 cents f.a.s. New York.

Net sales under the export program now stand at 4,029,416 pounds.

LIVESTOCK BRANCH

Meat production under Federal inspection during the week ended September 23, totaled 328 million pounds. A big increase in hog slaughter together with increases in other species brought total production up 6 percent from the preceding week and 11 percent above that recorded for the corresponding week last year.

SUGAR BRANCH

Proposed U. S. standards for sugarcane sirups and edible sugarcane molasses have been announced. They are designed to encourage production of higher-quality products and to improve their marketability. No U. S. standards have existed for these products. Three grades of edible sugarcane molasses are proposed -- U. S. fancy, U. S. medium-light, and U. S. medium-dark.

TRANSPORTATION AND WAREHOUSING BRANCH

Leon Schilt will attend the annual convention of the National Poultry, Butter, and Egg Association Tuesday and Wednesday and participate in panel discussions of transportation problems.

W. H. Powell will attend hearings held by the Southern Freight Bureau in St. Louis, Wednesday and Thursday on proposed cotton freight rate reductions.

A. L. Cumming and J. D. Granger will visit Lincoln, Nebraska on routine supervision this week.

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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

FOR ADMINISTRATIVE USE ONLY

October 9, 1950

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area
From: John C. Baker, Chief, Information Branch, Chicago, Illinois

THIS WEEK'S SPOTLIGHT

Grain Inspection

When Flour Miller Jones in Buffalo orders a carload of No. 2 Dark Hard Spring Wheat from Grain Merchant Brown in Minneapolis, he knows exactly what he will get in the way of a raw product from which to mill flour.

Miller Jones knows, because the particular car of wheat on order, along with virtually every other carload or boatload of grain sold in commercial channels, is graded according to standards established by the Department of Agriculture.

These standards are the same the country over, and Federally licensed inspectors are trained to see a sample of grain with virtually the same pair of eyes. Miller Jones is thus assured of receiving a standard quality grain of the grade ordered. This is but one example of the many benefits of Federal Grain Standards to widely scattered merchandisers who cannot examine the grain or samples of it.

Farmer Smith is also benefitted. He may send a sample of his grain to the nearest licensed inspector and get a report on its grade. Thus, he is in a better position to know about what the grain will bring at current market quotations.

Most licensed inspectors are employees of State or trade organizations and receive their salaries from such agencies. However, they operate under supervision of a Federal District Supervisor. If the grade assigned by any of these inspectors is not what financially interested parties in a grain deal think it should be, an appeal may be made to the Secretary of Agriculture through the Federal District Supervisor. Either the grade is sustained or the proper one assigned, if the original one was in error.

One of the largest District Grain Inspection Offices is that headed by District Supervisor C. L. Cannon, with headquarters at 1204 New Post Office Building in Chicago. Thirty-two licensed inspectors in Cannon's district performed more than 159,710 inspections last year. Only 10,085 of these inspections were appealed.

(more)

The first man on an inspection job takes a sample from a carload of grain by thrusting a long, brass probe vertically downward through the grain at five different points. Thus, he obtains a complete cross-section of the contents. He also checks on such factors as temperature and odor, weevil infestation and any other noticeable defects not requiring a detailed analysis.

After five samples are mixed together into one single sample, the grain is sent to the inspection laboratory. There the inspector uses considerable mechanical equipment and a certain amount of expert human judgment in grading the sample. Standard apparatus is available for ascertaining such factors as moisture content, test weight per bushel and the amount of foreign material. After determining the degree to which these and other factors are present, the grain is given one of the numerous grades such as "No. 3 Yellow" corn, "No. 1 Hard Winter" wheat, "No. 1 Heavy Mixed" oats, or "No. 1" Rye.

ON THE CALENDAR

Monday, October 9-20	Local meetings to discuss agricultural outlook, conducted by Extension Service, all states.
Tuesday, October 10-11	W. Lafayette - Indiana Broiler meetings
October 10-11	Des Moines, Iowa - Iowa Restaurant Association
October 10	Columbus, Ohio - Hearing on milk price changes
October 10-12	Cleveland - Mid-America Restaurant Assn. Exposition
October 10-11	Chippewa Falls - Wisconsin Buttermakers Assn.
Wednesday, October 11	W. Lafayette - Indiana Poultry Association
Friday, October 13-18	Chicago - American Bakers Association
Saturday, October 14-21	Kansas City - American Royal Livestock Show
October 14	W. Lafayette-Indiana 4-H Vegetable judging contest
October 16	Minneapolis -Meeting (tentative) of North Central Potato Marketing Committee.
Sunday, October 15-18	Cincinnati - National Association of Food Chains
October 15-17	Decatur, Illinois - Illinois Food Distributors Association
Monday, October 16-20	Chicago - Second week of USDA training course on administration
Wednesday, October 18	Chicago - Area grain trade committee meeting with FMA Commodity staff
October 18-19	Urbana - Illinois Bankers Association, guests of U. of I. College of Agriculture

ADMINISTRATOR'S OFFICE

Chicago will be site for the annual national meeting of PMA staff members, during the week of December 11-15. Headquarters will be the Congress Hotel. This announcement has just been made by Administrator Ralph Trigg, following a visit to Chicago last week by Mr. Trigg, Assistant Administrator Robert Herder, and other members of the Washington staff.

Richard Bender, chief of Administrative Services, is in charge of local arrangements in Chicago, and preparations already are under way.

COMMODITY CREDIT CORPORATION

Grain warehousemen operating under the new Uniform Grain Storage Agreement will meet with PMA officials in Minneapolis (Nicollet Hotel) on October 30, 31, November 1 to discuss the agreement on the basis of experience during the past several months. The meeting will be nation-wide in scope. PMA representatives will come from office of the Assistant Administrator for Commodity Operations, Transportation and Warehousing, Grain, and Fiscal Branches, and the area Commodity Offices.

* * *

Marvin Smith has been appointed Acting Assistant Director of the Chicago area office, succeeding Donald Smith, recently named Acting Director of the Commodity Office in Kansas City. Marvin Smith has been Fieldman for the area served by the Chicago office.

ADMINISTRATIVE SERVICES

Condition of typewriters in PMA offices in the area served by the Chicago office is being surveyed. Each office has been requested to report on the condition of each machine charged to it. Administrative Services reports that Bureau of the Budget and General Services Administration recently indicated that 10 percent of typewriters in use might be replaced during this fiscal year. This figure is for an entire agency, and does not necessarily mean that any machines in a given office may be replaced. All replacements will be cleared with Washington.

* * *

Annette Schnell is a delegate to the convention of the National Institute of Governmental Purchasing, meeting in Milwaukee this week.

COTTON BRANCH

With the announcement there would be no marketing quotas or acreage allotments on the 1951 cotton crop, the Cotton Branch urged farmers to make sure they have plenty of good planting seed on hand to take care of 1951 crop demands. Branch officials point out that greatly expanded production in 1951, plus high prices for cottonseed for crushing, plus a short supply from the 1950 crop may make good planting seed hard to get. The Information Branch, in cooperation with the Cotton Branch, is launching an informational campaign to inform farmers of the advisability of saving good seed. Extension Service, Vocational

(more)

Agriculture, Farmers Home Administration and others will be enlisted in the information work. In preparation now are: a leaflet for mailing to farmers, a poster, fill-in press release quoting the county PMA chairman, wire stories, radio script and spot announcements, and statements by cotton officials of the USDA. Area offices can be of great help by contacting local daily and trade press for stories on saving seed. Information Branch will be glad to give any special assistance on background material, etc., to any area office if requested to do so.

CCC announced sales of 379,300 bales of 1948 pooled cotton. Only 778,240 bales remain of the 3,781,000 originally pooled.

Prices for middling 15/16 inch cotton averaged 40.35 cents per pound in the 10 spot markets on Thursday, October 5. This compares with 40.80 cents a week earlier and 29.60 cents a year ago. Reported sales in the 10 spot markets totaled 400,100 bales compared with 598,800 bales last week and 488,200 in the corresponding week a year ago. Farmers offerings were in substantial volume and there was a relatively heavy movement of cotton.

BAE's estimate of the 1950 crop on October 1, 9,869,000 bales; same as month earlier; compares with 16,128,000 bales last year, and 10-year average of 11,599,000 bales.

COMPLIANCE

Representatives of the Office of Compliance are engaged in the annual survey of price support activities on potatoes in North Dakota, Minnesota, Wisconsin, and Michigan. Similar surveys have been completed recently in Missouri, Kansas, and South Dakota. Preparations are being made for increased work load, as a result of passage of the amended Marketing Order 60, assuring price support and regulated marketing of potatoes in North Dakota, Minnesota, Wisconsin, Michigan, northern Indiana and northern Iowa.

DAIRY BRANCH

Price Support Purchases and Sales, through September 29:
(Figures in Pounds)

<u>Product</u>	<u>Purchases Sept. 25-29</u>	<u>Total 1950 Purchases 1/</u>	<u>1949-50 Purchases Unsold as of Sept. 29</u>
Butter A	---	84,125,814	{ 179,000,000
Butter B	---	44,041,162	
Butter C	---	---	
		<u>128,166,976</u>	
Cheese	1,645,951	106,387,989	102,000,000
Spray milk solids	1,315,465	251,299,083	{ 323,000,000
Roller milk solids	135,400	94,273,710	
	<u>1,450,865</u>	<u>345,572,793</u>	

DAIRY BRANCH (Cont'd)

<u>Product</u>	<u>Sales to Trade</u> <u>Wk. End. Sept. 29</u>	<u>1950 Sales to</u> <u>Domestic Trade</u>
Butter A	4,989,631	9,334,730
Butter B	161,734	6,111,145
Butter C	2,691	1,141,937
	<u>5,154,056</u>	<u>16,587,812</u>
 Cheese A	 73,391	 7,020,006
Cheese B	14,241	1,061,116
Cheese C	---	395,311
	<u>87,632</u>	<u>8,476,433</u>
 Spray milk solids	 119,411	 721,661
Roller milk solids	---	557,600
	<u>119,411</u>	<u>1,279,261</u>

1/ Adjusted for contract amendments.

FATS AND OILS BRANCH

Notice of Proposed Proclamation of 1951 Peanut Marketing Quota

On September 28, 1950, the Deputy Administrator of PMA issued public notice of the proposed proclamation of the national marketing quota and acreage allotment for the 1951 crop of peanuts. Since the 1951 national peanut acreage allotment will not exceed 2,100,000 acres, the 1951 State allotment for each State will be reduced (below the 1950 allotment prior to the enactment of Public Law 471, Eighty-first Congress) in the same proportion as the national acreage allotment is reduced below 2,100,000 acres. This notice was published in the Federal Register for October 3, 1950 (15 F.R. 6637)

1950-Crop Peanut Program

As of September 23, 1950, CCC had purchased 1.5 million pounds of No. 2 peanuts from the 1950 crop in the Southwestern Area. These peanuts have been sold domestically for crushing.

The only change in the report of sales of cottonseed oil during the past week is 350,000 pounds refined oil, sold through the San Francisco PMA Commodity Office.

FOOD DISTRIBUTION BRANCH

Direct Distribution

Since January, under the provisions of Section 416 of the Agricultural Act of 1949, approximately 3,500 pounds of dried eggs, 7,700,000 pounds of nonfat dry milk solids, 19,156,000 pounds of butter, 11,400,000 pounds of cheese, and 121,600,000 pounds of Irish potatoes have been ordered by State distributing agencies for distribution to nonprofit school lunch programs and other outlets eligible to receive these foods. In addition, private welfare agencies assisting needy persons outside the U. S. have ordered approximately 5,650,000 pounds of dried eggs, 6,748,000 pounds of butter, 30,000,000 pounds of nonfat dry milk solids and 3,000,000 pounds of cheese.

School Lunch

Schools participating in the National School Lunch Program will soon be receiving canned tomatoes, peanut butter, and dry beans as a result of recent allocations made to State distributing agencies through Area offices of the FD Branch.

Plentiful Foods

Apples, sweetpotatoes, cabbage, cranberries and cheese will get extra attention this month, in special activities undertaken through the Plentiful Foods Program.

Miss Jesse Parker, superintendent of public instruction in Iowa, will give the opening address October 25 at the 3-day conference of Midwest school lunch and direct distribution supervisors at the Morrison Hotel.

* * *

Ina Morris is in Wisconsin and Minnesota for 2 weeks to make administrative reviews of school lunch programs, and to assist in a school lunch workshop in the Twin Cities. Walter P. Patterson is traveling in Michigan and Ohio on food trades programs, and John James is in Indiana to confer with school lunch and direct distribution officials in that state.

School lunch supervisors have received two new leaflets, one on making and storing sauerkraut; the other on storing, ripening, and canning pears.

Three special promotion programs on Plentiful Foods are scheduled this month. October has been designated for a special emphasis on cheese use. The campaign which began in mid-September on sweet potatoes will continue through October 14. Because of large cabbage production, the period October 12-21 has been set for a special merchandising and information program on cabbage.

Hal Bolin, food preservation specialist, and Plentiful Foods will be featured on a half hour show on WTCN-TV in Minneapolis, Thursday at 3:15 p.m. Preservationist Bolin will "serve" a meal prepared completely of October Plentiful Foods. During the course of the show he'll demonstrate good technique in turkey carving. Dessert, to tie in with the cheese campaign, will be --- cheese.

FRUIT AND VEGETABLE BRANCH

Potato growers in North Dakota, Minnesota, Wisconsin, Michigan, Northern Indiana and northern Iowa have voted 3-1 in favor of an amended Marketing Order 60, to regulate the marketing of potatoes produced in that area. The referendum vote was held during the week of September 25-30, and results were announced on October 5. Of 5557 growers voting, 75.3 per cent of the growers, producing 72 per cent of the potatoes, favored the order. R. E. Keller, Chicago area office, acted as agent of the Secretary in conducting the referendum.

The North Central Potato Marketing Committee has tentatively set October 16 as the date for a meeting to plan resumption of the Marketing Order. Under the amended order, the committee has greater authority in recommending regulations.

Grower approval of the Order assures price support on remainder of the 1950 crop in the North Central States area.

Purchase of 1950 crop potatoes through October 3 totaled 9,005,272 hundredweight. Of this amount 2,423,055 went to livestock feed; 26,189 to penal institutions; 4,199 to experimental use; 544,319 to Section 416; 115,074 to starch; and 5,892,436 to re-sale.

Export subsidy programs through September 30 stood at: apples, 177,568 boxes - \$221,960; pears, 183,777 boxes - \$229,721; honey, 7,848,950 pounds - \$353,202.

R. E. Keller will spend Tuesday in Carbondale, Illinois conferring on peach marketing problems there.

* * *

Processed Foods

Max S. Austen will confer with lima bean packers at Madison, Wisconsin, this week relative to the new proposed standards for lima beans.

GRAIN BRANCH

State and county offices now have county loan and purchase agreement rates on 1950-crop corn. This year, the high rates are in commercial corn area where 90 percent of parity support applies; rates in non-commercial are lower, averaging about 67 percent of parity. U. S. map showing 1950 rates by counties will be available soon.

Total U. S. rice supply (crop plus carryover) now indicated at 39.7 million bags for 1950-51, compared with 43.2 million in 1949-50. Export outlets expected to take large part of excess above domestic requirements. If exports total 14 million bags (last year they totaled 16.1 million) carryover next August 1 would be a practical minimum of about 2 million, or nearly 1.5 million less than on August 1, 1950. Acreage allotments for 1951 crop must be announced not later than December 31, 1950.

(more)

GRAIN BRANCH (Cont'd)

Michigan dry bean harvest was completed this week, crop looks a little better than the dark picture recently painted. CCC sales of beans have tapered off from heavy volume during period that Michigan new crop was in doubt.

* Considerable interest in commodities that may move to Korea, for rehabilitation. These may include wheat, rice, barley, and sugar. Situation not clear as yet on kinds and quantities of foods, nor on sources of supplies.

* Confidential

* * *

Phillip Talbott, marketing specialist, Washington, will attend the meeting of the American Bakers Association in Chicago this week and next.

Judson A. Thompson, marketing specialist, Washington, will be in Michigan next week, conferring with PMA, agricultural college people, and growers and shippers concerning reconditioning equipment for dry beans.

INFORMATION BRANCH

John Baker, Chief of the Area Office, will attend a meeting of all area information chiefs, in Washington during the week of October 16-20.

MARKETING AND FACILITIES RESEARCH BRANCH

This week the Branch arranged a contract with the Washington State Apple Commission for a Marketing and Research Project to study methods of handling apples in commercial apple warehouses. Six steps in the apple handling operations will be studied in 15 plants. The study will include 10 types of equipment and 4 different types of apple containers. The objective of the study is to develop simpler and less costly methods of handling apples in warehouses.

A representative of the Branch will attend the Industrial Packaging and Materials Handling Exposition in Philadelphia, October 10 - 12.

PERSONNEL OFFICE

Maurice Ward, Chief, and Harold Gross, Placement Officer, are visiting the Commodity Office in Kansas City, and later in the week will attend a meeting of the Wage Board in Atchison, Kansas.

POULTRY BRANCH

Purchases of dried eggs totaled only 466,920 pounds this week, smallest since 1950 program was instituted last winter. Cancellations totaled 142,335 pounds and sales for export 250,265 pounds. Net purchases to date for 1950 totaled 82,154,628 pounds. Cumulative total of export sales is 4,279,681 pounds.

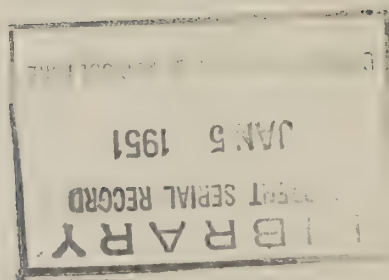
Reports to Branch showed for second week in a row significantly smaller number of eggs set for broiler production in major areas. However, current settings, 8.3 million eggs a week, are 11 percent above same time last year.

Department has been informed that Ninth Triennial World Poultry Congress will be held at Paris, France, August 2-9, 1951. Events will include a World Poultry Exposition, the presentation of papers and exhibits on progress of poultry industry by Government and commercial representatives of leading poultry-producing countries, and visits by members of the Congress to important poultry breeding centers in France. At Eighth World's Congress at Copenhagen, Denmark, August 1948, seventeen countries were represented.

* * *

RESEARCH AND MARKETING FACILITIES

A new type of grocery check-out counter which permits retail grocery orders to be checked out faster and at less cost than with conventional check-out systems has been developed by the U. S. Department of Agriculture's Production and Marketing Administration in cooperation with certain grocery trade groups. Basically, the counter involves use of a conveyor to move groceries from customer to cashier, a deep well for the bag in which the groceries are to be placed and an automatic change maker on the cash register. These facilities are intended to cut handling time on groceries and money, and speed up the check-out process as much as 38 to 52 percent.



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UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

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JUL 6 - 1951

FOR ADMINISTRATIVE USE ONLY

October 16, 1950

MIDWEST INFORMATION SUMMARY

TO: PMA Offices, Midwest Area

FROM: Vincent P. Freymann, Acting Chief, Information Branch
11/2

THIS WEEK'S SPOTLIGHT

Potato Marketing Programs

Ballot 6557 was tallied. The count stood 4183 to 1374. With that tally of Ballot 6557 the first of last week, R.E. Keller, who heads the Chicago Marketing Programs office of PMA's Fruit and Vegetable Branch, could chalk up a mark of grower approval for Potato Marketing Order No. 60—and at the end of months of planning, meetings, traveling, and ballot counting.

Potato growers in North Dakota, Minnesota, Wisconsin, and Michigan had voted on amendments to their potato marketing order, and with growers in Iowa and Indiana they had indicated they wanted that order to cover production of potatoes in the latter two states.

Carrying those amendments through from proposals to enactment was a major job—but part of their regular round of duty—for Keller and his colleagues in the Chicago Marketing Programs office. Because of the size of the job—the necessity to inform growers in the six states fully of the proposals and their effects, Secretary of Agriculture Brannan designated the head of the Chicago office as his representative in the task. Before it was done Keller and his assistants, cooperating with members of the state and county PMA committees, had visited all six states, conducted 28 meetings, distributed, collected, and counted those 6557 ballots.

While Potato Order No. 60 has occupied the limelight for weeks, another order which governs potato marketing in South Dakota has been operating to regulate marketings of potatoes grown in the eastern part of that state. Responsibility for its administration, too, rests in Keller's office.

In Minneapolis, growers participating in Potato Order No. 60 have established an office to centralize direction of their potato marketing under the regulations they have set up. The Chicago office of the Marketing Programs works with that committee to provide assistance it needs in executing the order according to the federal law under which it has been established.

(more)

The order just amended and that operating in South Dakota are the two now active in the Midwest. There are 10 operating throughout the U.S. Growers in western Nebraska recently joined with those in Wyoming to reject an order.

During the normal "course of business," the Marketing Programs Office sees to it that news of new regulations under the orders reaches all interested persons throughout the Midwest.

The staff of the Chicago office consists of two technical employees--R.E.Keller and Victor A. Ekstrom. During the referendum period, the Chicago office was aided by Fruit and Vegetable Branch personnel from the Washington office and other field offices.

ON THE CALENDAR

Monday, October 16-18	Chicago - American Bakers Association
October 16-20	Chicago - USDA Training Course in Administration
October 16-21	Kansas City - American Royal Livestock Show
October 16-18	Cincinnati - National Ass'n. of Food Chains
October 16	Minneapolis - Executive Committee, North Central Potato Marketing Committee
Tuesday, October 17-18	Chicago - Hearing on proposed changes in railway freight rates
Wednesday, October 18	Algona, Iowa - Iowa potato growers nominate representatives on the North Central Committee
October 18	Chicago - Area Grain Trade Committee meeting with PMA
October 18-19	Urbana - Illinois Bankers Ass'n., at U. of Ill. College of Agriculture.
Thursday, October 19	Warsaw - Indiana potato growers nominate member of North Central Committee.
Friday, October 20	E. Lansing - Michigan Agricultural Conference
October 20	Chicago - National Pickle Packers Convention.
Monday, October 23	Muskegon - Michigan State Grange, annual meeting
Tuesday, October 24	United Nations Day
Wednesday, October 25-27	Chicago - Food Distribution Branch annual conference of state school lunch and distribution officials.
October 25	Chicago - National Association of Popcorn Mfrs.
October 25-26	Milwaukee - Wisconsin Cheesemakers Assn.
October 25-26	Urbana - Illinois Veterinary Conference
October 25	E. Lansing - United Horticultural Conference of Michigan
Thursday, October 26-27	Chicago Stockyards - Feeder Cattle Show & Sale
October 26-28	Detroit - Soil Conservation Society of America

ADMINISTRATIVE SERVICES

Assistant Chief Royce H. Dodge was in Kansas City during the past week negotiating for space to house a records depository for the Kansas City Commodity Office.

COTTON BRANCH

Cotton prices dropped more than \$10 a bale last week. Prices for Middling 15/16 inch cotton averaged 38.96 cents per pound in the 10 spot markets last Wednesday, compared with 41.11 a week earlier and 29.53 a year ago.

Farmers were offering current ginnings freely but reports indicate that most qualities of cotton were not selling as readily as in recent weeks.

To around mid-September CCC sales of 1948 crop pooled cotton have totaled about 3.3 million of the 3.8 million bales pooled for producers' account on August 1, 1949. A revised catalog containing only 36,500 bales available for sale by CCC was issued on October 6. All 1949 crop cotton covered by outstanding loans was pooled as of October 1. The actual amount of this cotton has not been announced but as of October 5, CCC loans on 106,700 bales were reported as unpaid.

* * *

Interim export allocations for cotton for all importing countries other than Canada have been set by the Production and Marketing Administration. The action, taken pursuant to provisions of the Defense Production Act, establishes cotton export allocations totaling 2 million running bales for the period August 1, 1950 through March 31, 1951. The Department of Commerce will issue export licenses.

The interim allocations are being made as a safeguard against total exports larger than might be warranted under the current U. S. cotton supply situation. Later in the season when more complete data regarding the domestic production and consumption requirements are available, a further review will be made of the overall cotton situation. At that time, if the supply condition is favorable, an additional export allocation may be announced.

Reports from the field indicate that some news stories about cotton export allocations have created misunderstanding. Some published reports have assumed that announcing a two million bale allocation for eight months meant that the total for the year would probably be three million bales. There is no basis for such an assumption. Determination of a desirable cotton carryover next year or a safe export total will not be made for some time after the situation is more clarified.

DAIRY BRANCH

Price-Support Purchases and Sales, through October 6
(Figures in Pounds)

Product	Purchases October 2 - 6	Total 1950 Purchases 1/	1949-50 Purchases Unsold as of Oct. 6
Butter A	—	84,125,815	{ 173,600,000
Butter B	—	43,880,014	
Butter C	—	128,005,829	
Cheese	1,106,444	107,494,433	101,100,000
Spray milk solids	1,443,376	252,742,522	{ 321,400,000
Roller milk solids	—	94,223,709	
	1,443,376	346,966,232	
Product	Sales to Trade Week End, Oct 6	1950 Sales to Domestic Trade	
Butter A	2,958,587	12,292,777	
Butter B	650,787	6,761,932	
Butter C	123,680	1,265,617	
	3,733,054	20,320,326	
Cheese A	151,091	7,128,879	
Cheese B	6,485	1,055,253	
Cheese C	—	395,311	
	157,576	8,579,443	
Spray milk solids	67,500	789,161	
Roller milk solids	301,625	859,225	
	369,125	1,648,386	

1/ Adjusted for Contract amendments

FATS AND OILS BRANCH

Cottonseed Oil Program:

CCC has completed its sales of cottonseed oil acquired in connection with the 1949 cottonseed price support program. Although the final figures are not available, the estimate as of October 11 placed total CCC sales of crude and refined cottonseed oil at about 198.3 million pounds, of which 47 million pounds were refined oil.

Linseed Oil Sales:

From July 1 - October 11, 1950 CCC sold 20,993,610 pounds of linseed oil - 18,022,761 pounds for domestic use and 2,970,849 pounds for export.

FATS AND OILS BRANCH

1950 Peanut Program:

As of October 10, 1950, CCC had purchased approximately 10 million pounds of No. 2 peanuts in the Southwestern and Southeastern Areas. These peanuts have been sold domestically for crushing.

Prices effective October 9, 1950, and until further notice, on purchases of peanuts were announced by CCC as follows:

Oil Stock Peanuts:

Virginia-Carolina Area	-	7-1/2 cents per pound
Southwestern Area)		
Southeastern Area)	-	8-1/4 cents per pound

Excess (oil) Farmers' Stock:

Virginia-Carolina Area	-	Virginia, Spanish and Valencias 8.4 cents per pound of kernels
Southeastern Area	-	S. E. Spanish 8.4 cents per pound Virginia and Runners 8.7 cents per pound of kernels.
Southwestern Area	-	Spanish and Valencias 8.9 cents per pound of kernels.

Virginia and Valencia Peanut of the 1950 Crop in Short Supply.

On October 6, 1950, the President of CCC issued a declaration that the supply of Virginia and Valencia peanuts of the 1950 crop is insufficient to meet the demand for cleaning and shelling purposes at prices equal to 105% of the support prices for such peanuts. Therefore, excess Virginia and Valencia type peanuts purchased from producers at the oil value thereof, pursuant to Section 359 (g) of the Agricultural Adjustment Act of 1938, as amended, will be sold by CCC for cleaning and shelling at prices not less than 105% of the applicable support prices plus reasonable carrying charges. The declaration is effective from the beginning of the 1950-51 marketing year (August 1, 1950) until further notice.

FOOD DISTRIBUTION BRANCH

Facilities for processing food for institutional use in Wisconsin were the means of providing markets for 7 carloads of Michigan peaches. A request from the Governor of Michigan for assistance in moving the surplus crop was received in the Midwest area office just as the area food preservation specialist was leaving for Wisconsin to work with institutional personnel. His calling to their attention the availability of the Michigan peaches at an advantageous price resulted in the immediate placement of orders for one carload of Halehaven peaches and six carloads of Elbertas. The entire lot was canned at the Waupun Prison Cannery for distribution to all State institutions.

FOOD DISTRIBUTION BRANCH (Cont'd)

A plentiful food program on apples will be conducted in the Midwest, reaching a peak October 26-November 4.

* * *

Oscar Beyer will meet with Michigan school lunch and direct distribution program personnel in Lansing and Battle Creek, Wednesday to next week to consider development of the direct distribution program in the state of Michigan. Hal Bolin will also be in Michigan during the week working on food preservation programs for schools and institutions. Floyd Tuchscher will be at Eau Claire, Wisconsin Monday and Tuesday on school lunch and food trade programs. Charles Croghan will go to Milwaukee and the Twin Cities Tuesday to work with the food trade, and to discuss cooperation in event mobilization of food supplies becomes necessary.

ScudderDarragh, attached to the direct distribution division of the Washington Office, will come to Chicago next week and journey downstate in Illinois with John Janus in an effort to analyze the direct distribution system in Illinois. The two will visit warehouses in the southern part of the state. Mr. Darragh will return to the Chicago office to take part in next week's school lunch and direct distribution annual conference.

* * *

Pork, turkey, and chicken lead the production lists of meats which are expected to be especially plentiful during November, the U. S. Department of Agriculture reports. Other foods which will be plentiful in November are: cranberries, apples, sweet potatoes, onions, cabbage, carrots, Irish potatoes, eggs, cheese, honey, and butter.

FRUIT AND VEGETABLE BRANCH

Purchase of sweet potatoes, all in Louisiana, through October 10 totaled 28 cars, or 14,000 bushel crates. All went to school lunch or institutional use.

Purchase of 1950 crop Irish potatoes through October 10 totaled 10,183,052 hundredweight. Of this amount 2,746,033 hundredweight went to livestock feed; 274,375 to starch; 616,495 to Section 416; 909 to flour; 31,058 to penal institutions; 4,199 to experimental use; and 6,509,983 to re-sale.

Export subsidy program through the week ending October 7 stood at:

Fresh apples , 204,767 boxes; \$255,958

Fresh pears, 216,647 boxes; \$270,808

Honey, 8,425,730 pounds; \$379,158

* * *

Regulatory - Edward Gibson and Al Harris went to Kansas City, Monday to conduct PACA investigations during the week. They will proceed to St. Louis at the end of this week to continue the work.

(more)

FRUIT AND VEGETABLE BRANCH

Marketing Programs

Chicago staff members will attend two meetings scheduled to nominate two additional producer members to the North Central Potato Committee. The additional nominations are called for under provisions of Marketing Order No. 60 as amended the last week in September. Victor Ekstrom will go to Algona, Iowa, for a meeting there Wednesday, October 18, while R. E. Keller will attend the second meeting in Warsaw, Indiana, the following day. Two producers to serve as alternate members of the committee will also be nominated.

* * *

The U. S. Department of Agriculture has set the salable percentage for merchantable in-shell walnuts for the 1950-51 marketing year at 80 percent and the surplus percentage at 20 percent. This applies to the handling of walnuts under a marketing agreement in California, Oregon, and Washington. An earlier announcement had proposed the salable percentage to be fixed at 75 percent and the surplus at 25 percent. The change is based upon changed crop prospects due to unfavorable weather in September.

* * *

USDA has set at 92.5 percent the salable percentage for merchantable in-shell filberts for the year beginning August 1, The surplus percentage is 7.5 percent.

GRAIN BRANCH

CCC grain sorghums stocks have been moving well, topped by big sale to India last week for shipment during next six months. Markets have been strong. Reports also are that new crop may be smaller than earlier estimates, in Texas, many heads are blighted and not filled with grain.

This year's crop corn carryover of 950 million bushels may be reduced next year to around 650 million. While new crop is expected to make 3.1 billion bushels, disappearance may be a high record 3.4 billion because of lower feeding value of current crop and large numbers of livestock on farms.

New grade standards for rough rice, to include measurements of milling quantity and quality of a given sample, are scheduled for promulgation by planting time in 1951, for use in connection with the 1951 crop. Project has been underway for last two years. Heretofore, rough rice has been graded without removing the hulls and this grading did not satisfactorily indicate the quality of milled rice it will produce. With new procedure, the rough rice samples will be hulled and milled, and the rough rice graded on the basis of the milled rice. A simple hulling machine which handles with equal facility either dry rice or rice as it comes from the combine has been developed for use in the grading work. The old standards had different requirements for southern and California rice. The new would provide a single uniform system for all United States rice and, although greatly simplified, provide much better information on the certificate of grade. The new standards will also facilitate FMA price support and procurement.

Grain Branch Field Headquarters had as visitors this week Bort W. Whitlock of the Portland Office, and Carl A. Waalen of the San Francisco Office of the Branch. They had been in Washington in connection with rice standards.

(more)

GRAIN BRANCH (Cont'd)

Corn price support rates for the 1950 crop ranging from \$1.36 to \$1.64 per bushel in commercial corn counties and from \$1.02 to \$1.30 per bushel in the non-commercial corn counties has been announced by the U. S. Dept. of Agriculture.

Last year acreage allotments were not in effect for corn, and a support rate averaging 90 percent of the parity price was mandatory for all producing areas, making the national average support rate \$1.40 per bushel. This year's rate averages \$1.47 per bushel as compared with \$1.40 a year ago for all states. For the "non-commercial" area, where acreage allotments are not in effect, the law limits support to only 75 percent of the 90 percent of parity level.

PERSONNEL

Chief Maurice Ward and Harold Gross, Area Classification Officer, visited PMA offices at Kansas City, Mo., Atchison, Kans., and Des Moines, Iowa on personnel matters last week.

LIVESTOCK BRANCH

Last week's egg buy totaled only 278,814 pounds - a new low for the year. Cancellations totaled 230,055 pounds, so that net addition to year's purchases was less than 50,000 pounds. Sales during the week totaled 52,855 pounds, more than offsetting week's additions.

Turkey prices have been declining on heavy early marketings. Crop has been estimated about 6 percent larger this year than last. Military requirements are up from last year, but not enough to take all of the increase above last year's production. Concern is felt over possibility that lower prices would result in too great a cut in next year's production.

Meat production under federal inspection during the week ended October 7 totaled 326 million pounds. Hog slaughter continued the seasonal increase but a drop in slaughter of other species held production slightly below 330 million pounds reported for the preceding week, but 7 percent above 304 million pounds recorded for the same week last year.

TOBACCO BRANCH

A 13-cent per barrel increase for crude pine gum was recorded this week by producers delivering to processing plants. Prices averaged \$26.01 per standard barrel of 435 pounds. This compares with last week's average of \$25.88. Twenty-one reporting plants received 19,871 standard barrels.

TRANSPORTATION AND WAREHOUSING BRANCH

A. I. Cumming, Washington, will perform routine field supervisory work in connection with the grain storage facilities program in Decatur the first half of this week, and Chicago, the latter half. Leon Schilt will attend the public hearing on proposed changes in railway freight rates on poultry in Chicago, Tuesday and Wednesday. M. L. Reddick and representatives of the office of Audit and Fiscal Branch are to survey transportation problems in Chicago this week. C. G. Pulvermacher will survey perishable commodity inspection systems in PMA commodity office at Kansas City, Missouri, Wednesday through Friday, and C. R. Rodwell at Minneapolis during the same period.

SUGAR BRANCH

Charles B. Broeg, sugar technologist, will be in Ohio, Indiana, Michigan, Illinois, Iowa, Minnesota, and Wisconsin, October 15 through November 5, inspecting beet sugar facilities and sugarbeet receiving stations, and investigating net weight and sugar content affecting conditional payments to sugar beet growers.

The U. S. Department of Agriculture's monthly report on the status of the 1950 sugar quotas for the various sugar producing areas supplying the United States market shows that the quantity of sugar charged against the quotas during January-September amounted to 6,534,108 short tons, raw value (partly estimated). This compares with 5,904,707 tons charged against such quotas during the same period of last year.

* * *

UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION

Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

JUL 6 - 1951

U.S. DEPARTMENT OF AGRICULTURE

FOR ADMINISTRATIVE USE ONLY

October 23, 1950

MIDWEST INFORMATION SUMMARY

To: All PMA Offices in Midwest Area

From: John C. Baker, Chief, Information Branch, Midwest Area

THIS WEEK'S SPOTLIGHT

DAIRY AND POULTRY MARKET NEWS SERVICE

Anyone who produces, buys, or sells dairy and poultry products has a valuable guide in the large amount of reliable, up-to-the-minute market news which PMA places at his beck and call.

Whether it's butter, cheese, eggs, live or dressed poultry, or other dairy and poultry products, there is an opportunity to study market conditions through the eyes of trained observers that takes much of the guesswork out of marketing.

Market News on all of the above items is gathered daily by reporters of recognized skill and integrity. They are the backbone of the Dairy and Poultry Market News Service, administered by the Dairy Branch of PMA.

The service operates through a system of 33 permanent market news offices at the larger and strategically located dairy and poultry markets, such as Philadelphia, Chicago, San Francisco, Des Moines, and Fayetteville, Arkansas. State Departments of Agriculture cooperate at some markets in furnishing this free service.

The reporters are in and out of dealers' places of business at the thirty-three markets daily, talking to hundreds of buyers and sellers in person. They talk to hundreds of others by phone after returning to their offices, getting the facts about local market conditions, prices, receipts, amount of stock on dealers' floors, amount in cold-storage and movement of retail supplies.

(more)

The information collected in this way goes out by telephone, telegraph, radio, press and mail to thousands of producers and dealers each market day, also to banks, vocational agricultural instructors, public carriers, trade organizations, retailers and others. Its value to them is stated in glowing terms on thousands of letters sent to the market news offices each year.

Because of its national significance as a dairy and poultry market, the nature and scope of the service is at its maximum at Chicago. This office, second in size only to that of New York, is headed by Floyd R. Simpson, assisted by Robert J. Nelson. Five clerical employees complete its busy staff. Headquarters are at 623 South Wabash Avenue.

The Simpson-Nelson team, rain or shine, is seen early each morning traipsing in and out of dealers' places around Fulton, Randolph, and South Water Streets where the Chicago dairy and poultry market centers. It isn't uncommon for them to talk with 30 to 40 dealers before they make a first report of the market around 10:30 a.m. Back at the office around 11:00, they start contacting an additional 30 to 40 dealers before preparing final reports. Reports go on a leased wire which connects most of the market news offices, and market conditions and prices prevailing at Chicago are carried in mail reports issued from other markets. In the same manner, Chicago reports carry information from other points.

Chicago has a mailing list of 4,000 names for its mimeograph releases which comprise a Daily Market Report, Weekly Dairy Markets Review, Weekly Egg and Poultry Summary, Monthly Cold-Storage Report and Annual Summaries. In addition, a large clientele of trade members, newspapers, radio stations and others keep the office staff on its toes with requests for reports.

The Chicago office is also used as a principal training ground for new reporters.

* * *

ON THE CALENDAR

Tuesday, October 24	United Nations Day
Wednesday, October 25-27	Chicago - FDB annual conference of Midwest School Lunch and Direct Distribution officials
October 25-26	Milwaukee - Wisconsin Cheesemakers Assoc.
October 25-26	Urbana - Illinois Veterinary Conference
October 25	E. Lansing - Michigan United Horticultural Conference
Thursday, October 26-27	Chicago Stockyards - Feeder Cattle Show and Sale
October 26-28	Detroit - Soil Conservation Society of America
	(more)

ON THE CALENDAR (CONT'D)

Monday, October 30-31	Minneapolis - North Central Potato Marketing Committee
October 30-Nov. 1	Minneapolis - PMA and Grain Warehousemen National Meeting
October 30-Nov. 2	Cincinnati - American Society of Agronomy
Tuesday, October 31	Fond du Lac - Wisconsin Pure Milk Products Co-op
October 31-Nov. 3	Washington - USDA Outlook Conference
October 31-Nov. 1	Urbana - Dairy Laboratory Control Conference
Wednesday, November 1	Warsaw - Indiana Muck Crops Show
Thursday, November 2	Lansing - Midwest Conference on RMA Projects
Saturday, November 4-11	National 4-H Club Achievement Week

ADMINISTRATIVE SERVICES

Richard Bender, Chief, will leave for Washington, Tuesday, to complete plans for the PMA national conference to be held at the Congress Hotel in Chicago, December 11-15.

Royce Dodge, Assistant Chief, will spend this week in St. Louis, in connection with planning space for the consolidation of the Livestock Branch offices at East St. Louis (National Stockyards).

AUDIT BRANCH

R. L. Wright, Assistant Chief Auditor, visited with PMA auditors at the Commodity offices in Kansas City and Minneapolis the past week. He conducted the discussions of findings with respect to the audit of the M. Lyon Company, Kansas City wool handler.

R. F. Pauley, Supervisor of Internal Audits, will visit the Kansas City Commodity office and the Atchison Cave this week as an observer of the semi-annual inventory of commodities at the Cave. The audit will be conducted by the Transportation and Warehousing Branch.

O. W. Salisbury of the Washington PMA Office of Audit, is in Chicago this week to conduct a joint survey with the Fiscal and Transportation and Warehousing Branch personnel in connection with the payment of freight charges on commodities transferred to other Commodity offices.

D. J. Harrill, Chief Auditor, PMA, stopped at Chicago briefly last week while enroute to the West coast.

COTTON BRANCH

Prompted by many requests for increasing the allocations of cotton permitted for export, Secretary Brannan on October 16, issued a statement calling attention to the fact that the allocations announced on October 10 were "interim" and will be reviewed from time to time. The Secretary said, in part, "We want to export all of the cotton which can safely be shipped out during the year, and we regret the need to take precautionary steps at this time. Failure to take these steps, however, could result in much more serious consequences than the difficulties which stem from the necessary export limitations now."

* * *

Cotton prices rose again during the past week when prices for Middling 15/16 inch averaged 39.10 cents a pound on Thursday, October 19. This compares with 38.96 a week earlier and 29.66 a year ago. Reported sales in the 10 markets totaled 315,400 bales compared with 258,200 last week and 440,700 a year ago.

Stocks of cotton in mills totaled 1,238,000 bales at the end of September compared with 745,000 a year earlier.

DEFENSE ACTIVITIES

Authority for priority, allocation, claimaint, and requisitioning functions as related to the fishing industry have been delegated by the Secretary of Agriculture to the Secretary of the Interior. The Secretary of Agriculture retains responsibility for tin container supply and materials and facilities used for processing fish and other foods, and for distribution and procurement of fish, if such actions are necessary.

COMPLIANCE AND INVESTIGATION

Fred Jones and Harry E. Pierce, Bethel, Ohio and Minard Pierce, Williamsburg, Ohio, entered pleas of guilty in the United States District Court for the Southern District of Ohio to a criminal information charging them with falsely identifying certain Burley tobacco with the intent of defrauding the United States by evading payment of marketing quota penalties in violation of the Agricultural Adjustment Act of 1938, as amended, and Tobacco Market Quota regulations. Jones was fined \$100 and Harry E. Pierce and Minard Pierce were sentenced to 30 days each on each of two counts to run concurrently and sentence was suspended.

A civil complaint was filed in the United States District Court for the Western District of Michigan against Auburn Turner, Lake Linden, Michigan, seeking to recover \$1,158.62 plus interest and costs of the action on a defaulted 1946 potato loan note.

(more)

COMPLIANCE AND INVESTIGATION (CONT'D)

A criminal information was filed in the United States District Court for the Southern District of Michigan against Fred Dunn, Edward Dunn, and Victor Dunn of M. Dunn & Company, Detroit, Mich., charging violations of the Agricultural Marketing Agreement Act of 1937, as amended, and Marketing Order No. 60 regulating the handling of Irish potatoes grown in the States of Michigan, Wisconsin and Minnesota, and North Dakota.

DAIRY BRANCH

Fifty million pounds of government-owned cheddar cheese were sold last week to the British government. Sale price was not announced. This represents about one-half of the CCC inventory acquired for price support. Prior disposal of cheese included 21 million pounds donated for domestic use, 4 million donated for export, and 7.3 million pounds sold for export.

* * * *

Price Support Purchases and Sales, through October 14:
(Figures in Pounds)

<u>Product</u>	<u>Purchases</u> <u>Oct. 9-13</u>	<u>Total 1950</u> <u>Purchases 1/</u>	<u>1949-50 Purchases</u> <u>Unsold as of Oct. 13</u>
Butter A	---	84,125,815	{ 170,700,000
Butter B	---	43,845,674	
Butter C	---	127,971,489	
Cheese	819,946	108,263,975	100,700,000
Spray milk solids	1,141,625	253,652,097	{ 311,000,000
Roller milk solids	54,000	94,277,710	
	1,195,625	347,929,807	

<u>Product</u>	<u>Sales to Trade</u> <u>Week End. Oct. 13</u>	<u>1950 Sales to</u> <u>Domestic Trade</u>
Butter A	1,433,198	13,724,630
Butter B	235,396	6,997,328
Butter C	250,105	1,502,571
	1,918,699	22,224,529
Cheese A	33,842	7,162,772
Cheese B	6,467	1,061,719
Cheese C	---	395,312
	40,309	8,619,803
Spray milk solids	978,790	1,767,951
Roller milk solids	1,060,065	1,831,290
	2,038,855	3,599,241

1/ Adjusted for Contract amendments

DAIRY BRANCH (CONT'D)

Recent actions by the Department involving Federal milk marketing orders include:

1. Public hearing scheduled to consider proposed amendments to the Wichita, Kans., Federal order.
2. Issuance of a Federal order recommended to regulate the handling of milk in the Springfield, Mo., milk marketing area.

FOOD DISTRIBUTION BRANCH

Five Washington staff members will join members of the Midwest area staff in the Midwest conference for state school lunch and direct distribution directors at the Morrison, Hotel, Wednesday through Friday. They are Leonard Trainer, director, and Janet McFadden, C. Roy Murphy, Forrest Townsend, and Scudder Darragh. John T. Means of the St. Louis office will also come to Chicago for the meeting. Jeanette Hampton of St. Louis, will also be present.

* * *

Approximately 1,453,000 pounds of honey has been purchased under Section 32 for distribution by states to schools in all areas except the Northeast. Less than nationwide distribution was necessary because of the relatively small quantity purchased.

* * *

The cost of feeding 7,900,000 children in the National School Lunch Program in the U. S. and Territories in 1950 is estimated at \$375 million. Of this amount, Federal contributions were \$65 million in cash and \$55 million in commodities (Section 32, Section 6, Section 416 and P.L. 471.) This was the first year that Federal contributions exceeded \$100 million. However, the major part of the food used in school lunch programs was purchased locally by participating schools. Reports show that \$181 million was spent by schools in 1949-50 for milk, meat, bread, produce, and other foods purchased from local wholesalers and retailers. This represented approximately three-quarters of the value of all foods used by participating schools.

FRUIT AND VEGETABLE BRANCH

Marketing Order No. 60, in amended form to include commercial potato producing counties of Northern Iowa and Northern Indiana will become effective on October 29. A majority of potato growers (75.8 per cent) producing 72 per cent of the potatoes in North Dakota, Minnesota, Wisconsin, Michigan, and the designated counties of Iowa and Indiana, voted in favor of the amended order in a referendum held September 25-30. The order will be administered by the North Central Potato Marketing Committee, composed of 18 growers and handlers.

FRUIT AND VEGETABLE BRANCH (CONT'D)

Because there will be no price support program on potatoes next year, for the first time since 1943, a state-by-state production guide has been suggested to help farmers make crop plans for next year. The state guides add up to a suggested national production of 335 million bushels. Planting 1,560,300 acres next year would care for domestic needs and provide a reasonable reserve for a possible increased military demand, the Department said. That acreage would be 85 percent of what was planted this year. Suggestions for the Midwest are:

<u>State</u>	<u>1951 Suggested Acreage</u>	<u>% 1950 Planted Acreage</u>
Illinois	8,700	97
Indiana	19,000	100
Iowa	8,900	99
Michigan	84,600	87
Minnesota	83,800	84
Missouri	16,400	96
Nebraska	48,600	95
North Dakota	86,200	76
South Dakota	16,000	100
Ohio	35,700	92
Wisconsin	62,800	83

* * *

Marketing Programs

E. E. Gallahue is in the North Central potato producing area to confer on operations under Potato Marketing Order No. 60. He will attend the October 30 meeting of the North Central Potato Committee at Minneapolis.

Committeemen were nominated by Iowa and Indiana potato growers for the new memberships on the North Central Potato Committee. Nominees names have been submitted to the Secretary of Agriculture who will make the final selection of one committeeman and one alternate from each state. Indiana growers nominated Elmer L. Mitchell of Rochester and Charles E. Lucas of Culver as committeemen, and Whit Gast, of Akron, and Dale Rakistraw, of Waterloo, as alternates. Iowa selections for committeemen were James and Sam Kennedy, both of Clear Lake and for alternates, Orville Thorsen of Swea City and Elmer Hanson of Sioux Rapids.

Purchase of 1950 crop Irish potatoes through October 17 totaled 11,427,591 hundredweight. Of this amount, 3,010,590 hundredweight went to livestock feed: 668,264 to Section 416: 448,263 to starch: 33,195 to penal institutions: 21,412 to storage: 6,813 to flour: 4,199 to experimental use: and 7,234,855 hundredweight to resale.

Purchase of sweetpotatoes, all in Louisiana, through October 16 totaled 63 cars, or 31,500 bushel crates. All were distributed to school lunch and eligible institutions.

(more)

FRUIT AND VEGETABLE BRANCH (CONT'D)

Export subsidy programs, through the week ending October 14, stood at: Fresh apples, 239,336 boxes, \$299,170; Fresh pears, 223,697 boxes, \$279,621; Honey, 8,667,890 pounds, \$390,055.

GRAIN BRANCH

*Grain sorghums markets have been strong in spite of new crop harvest: domestic and export demand seems to be a little greater than availability of grain sorghums on the market: buyers have continued to purchase from CCC stocks. Comments market analyst G. A. Collier of Grain Branch: Grain sorghums are the cheapest grain.

* Confidential

CCC sales of dry beans have slipped off the last week or two, although CCC still has large quantity of '48 beans.

Arrangements have been completed for grain market news service in North Carolina, in cooperation with the States; Grain Branch also, will try experimental market news service on feed in Minnesota, beginning November. Effort for several years has been to get grain market news down as closely as possible to farmers' local markets.

John E. Tripp, Adolph Philippe, Chester Polson, Wilson Westbrook, and Albert Borton will confer with state and county committeemen in meetings in Kansas City, Minneapolis, and Chicago during the period October 25-November 12, on reports on loan and purchase programs and disposition of commodities. W. H. Hosterman will attend a hay grading demonstration in Toledo, Ohio, this week, and will attend the meeting of the American Society of Agronomy in Cincinnati October 24-November 4.

LIVESTOCK BRANCH

Meat production for the week ended October 14 totaled 304 million pounds, down 7 per cent from preceding week, and 1 per cent below a year ago. Slaughter of all kinds of animals except sheep was down.

At the request of the Quartermaster, CCC will buy a quantity of wool for military use. Purchases will be made through regular trade channels. Amount to be purchased has not been announced.

PERSONNEL

Top speakers from universities, management organizations, private industry and the public service appeared at the U.S.D.A. Administrative Management Training Course, which was held in Chicago, Oct. 2-6 and 16-20. Trainees were 24 U.S.D.A. office heads and top supervisors, largely from the Chicago area.

(more)

PERSONNEL

The training course, which was sponsored jointly by the Chicago USDA Club and the Department Office of Personnel, covered 30 subjects in the management field. The subjects were chosen by a USDA Club Committee as of most interest to men in top administrative jobs.

The Chicago course was the first to be held in the field following experimental courses held in Washington and Philadelphia. Further training courses of this type will be held in cities which have a large concentration of Agriculture employees.

* * *

James Buckley, Assistant Director of Personnel, Carl Herrick, in charge Employee Health and Welfare, and Charles Ferguson, USDA Safety Engineer, of Washington attended the annual meeting of the National Safety Council in Chicago last week.

POULTRY BRANCH

Total dried whole egg purchases for price support purposes last week amounted to 185,680 pounds -- far under cancellations totaling 277,259 pounds this week. Total purchases for the year so far now stand at 82,111,808 pounds.

Sales for export amounted to 70,875 pounds at 20 cents, f.o.b. the warehouse, making total sales of dried eggs under the export program 4,403,411 pounds.

The Poultry Branch reports that considerable progress is being made in the switchover from old standard to new standard egg cases, flats, and fillers.

New standard size (regular) egg cases are now available in any quantity in either wood or fiber. The new standard fillers also are being made in sufficient quantity to fulfill demands.

Branch authorities point out, however, that egg handlers in ordering packaging materials, should still specify carefully that they want the new standard sizes of cases or fillers when placing orders with manufacturers.

The new style standard size flats are still not available in large quantities, although they are being made in greater volume than was the case a few weeks ago. Handlers who cannot yet obtain the new style flats in the quantities they need, are urged, nevertheless, to order new standard cases so as to have them onhand when the new style flats are more readily available.

RESEARCH

PMA officials from Washington, and representatives of Land Grant Colleges and State Departments of Agriculture, will meet in Lansing, Michigan, November 2 and 3, to discuss projects being conducted under the Research and Marketing Act in the Midwest.

SUGAR BRANCH

USDA has requested the Department of Commerce to embargo all exports of molasses, to prevent shortage in U.S. Exports of sugar from U. S. will be limited to 1,000 short tons during the period October 1 - March 31.

TOBACCO BRANCH

Naval Stores

An average price of \$26.81 per standard barrel of crude pine gum was paid during the week, October 9 - 14. Producers received 80 cents a barrel more, compared with the previous week's average of \$26.01. Twenty-two reporting plants received 20,661 standard barrels of gum or 939 barrels per plant as compared with receipts of 946 barrels per plant a week ago.

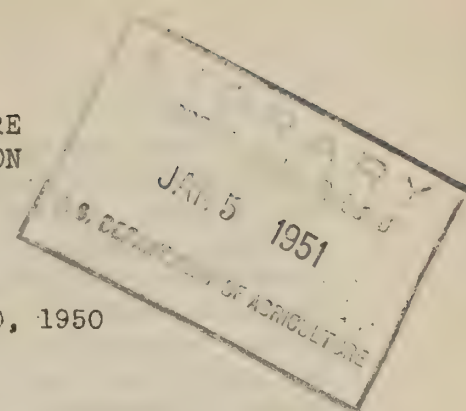
TRANSPORTATION AND WAREHOUSING BRANCH

Surveys of the status of commodity inspections will be made in the area Commodity offices this week by Washington staff members: C. R. Rodwell in Kansas City; C. G. Pulvermacher in Minneapolis; and M. L. Reddick in Chicago.

A. L. Cummings, Washington, will visit Lansing, Des Moines, and Madison this week, in connection with the grain storage facilities program.

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UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois



FOR ADMINISTRATIVE USE ONLY

October 30, 1950

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: Vincent P. Freymann, Acting Chief, Information Branch, Chicago

VP

THIS WEEK'S SPOTLIGHT

Fruit and Vegetable Branch Regulatory Division

Every 20 minutes or oftener on busy days W. A. Hilgeson or one of his assistants may answer CA-6-6353 to listen to a complaint being proffered by the voice at the other end. For Hilgeson's office deals in complaints--complaints of people who sell and those who buy the nation's fresh fruits and vegetables.

The office at 1421 South Aberdeen is the Midwest "home" of the administrative center of the Perishable Agricultural Commodities Act. The office is listed as the Regulatory Division of PMA's Fruit and Vegetable Branch. It might better be termed a mediation center for the industry.

Here's how this "arm" of USDA's activities came into business. It exists because handling of fresh fruits and vegetables is a highly competitive business. The distance and time required to ship a car of citrus from the South or West to northern markets is long. In the meantime, there's a daily market quotation. The deal is made. The market goes down. And the seller's faced with the arrival of produce he's agreed to pay a higher price for. It's a temptation indeed. And, in the past, it's also been a temptation for a "fly-by-night" operation to enter the business hastily to make a quick profit. Unfair practices in buying and selling flourished so much that the industry itself requested regulation which it first got in 1917, and later in its present form in the Perishable Agricultural Commodities Act passed in 1930.

Basically, that act provided for the licensing of those who handle the produce. And it provided machinery to help stamp out unfair trade practices by encouraging meticulous contracting, and providing mediation when buyer and seller disagreed as they so often did when produce changed hands.

That explains the presence in Chicago of the Regulatory office. It's one of four outside Washington in the U. S. The others are at New York, Los Angeles, and Fort Worth. The Chicago offices serves the area south to Tennessee, north to Canada, east to Ohio and including east Ohio and west to Colorado.

It also explains the activities of Hilgeson who's been with PACA since its birth, and his assistants -- W. M. Miller, Edward Gibson, Al Harris, and Jeff Branch. One of their jobs is the licensing operations. You'll find one of them, perhaps, in Arkansas at the height of the peach season licensing truckers at the harvest centers. You'll find them traveling throughout the area outlined above to investigate complaints. And you'll find them at the Chicago desk, telephone in hand, listening, weighing the balance, and suggesting the fine line where complainee and complainant might settle their differences. Their work is of a semi-legal nature. The director of the Chicago office is an attorney, although that's not necessarily requisite to the work.

Hilgeson estimates that 60 to 100 new complaints a month reach the office by telephone, by mail, by wire, by personal caller. In addition, 20 to 30 more daily calls come in about arguments and disputes. They're the ones on which a basis of settlement is suggested. It's the "missionary work" as Hilgeson calls it. About three-fourths of the complaints registered formally are settled amicably. And through it all, he and his assistants do an education job, emphasizing the necessity of clear-cut contractual agreements, the regulations as to branding, and in general ethical business conduct.

Where a formal complaint is made, Hilgeson and his assistants rely on inspectors of the Fresh and Frozen Products Division for technical reports on condition of produce and quality. The Secretary of Agriculture, through the Office of Solicitor, renders the decisions in formal complaints which are appealable in U. S. district court.

* * *

ON THE CALENDAR

Monday, October 30-31	Minneapolis - North Central Potato Marketing Committee.
October 30-31	Kansas City, Missouri -PMA Conference on commodity loan and purchase programs.
October 30-Nov. 1	Minneapolis-PMA and Grain Warehousemen National Meeting.
October 30-Nov. 2	Cincinnati - American Society of Agronomy
Tuesday, October 31	Fond du Lac -- Wisconsin Pure Milk Products Co-op
October 31-Nov. 1	Urbana - Dairy Laboratory Control Conference
October 31-Nov. 3	Washington - USDA Outlook Conference
Wednesday, November 1	Warsaw - Indiana Muck Crops Show
Thursday, November 2-3	Lansing - Midwest Conference on RMA Projects
November 2	E. Lansing - Michigan Milk Producers Association annual meeting.
Friday, November 3	Urbana - Cattle Feeders' Meeting.
November 3-4	E. Lansing - Feed Dealers' Nutrition Conference
Saturday, November 4-11	National 4-H Club Achievement Week.
Tuesday, November 7	Springfield -Illinois Restaurant Association
Wednesday, November 8-9	Chicago - American Butter Institute.
November 8	Madison - Grassland Improvement Meeting.
Thursday, November 9-10	Columbus - Ohio Animal Nutrition Conference.
November 9	Fargo - PMA meeting on crop insurance.
Thursday, November 9-10	E. Lansing -Michigan Dairy Manufacturers' annual conference.
Friday, November 10	PMA party at St. Jude's Hall

ADMINISTRATIVE SERVICES

The conference room at 623 South Wabash has been closed to provide much needed office space for the Chicago Commodity Office.

AUDIT BRANCH

Representatives of the Chicago office Audit Branch have started verification of inventories of CCC-owned commodities in bin storage in eleven Midwest states. Holdings of grain and oilseeds in the eleven states represent more than three-fourths of all CCC holdings in this type of storage facility in the U. S.

COTTON BRANCH

Prices for Middling 15/16 inch cotton in the 10 spot markets averaged 39.73 cents a pound on Thursday, October 26. This compares with 39.10 cents a week earlier and 29.62 cents a year ago.

Branch officials say spot markets advanced steadily during most of last week and Middling 15/16 inch averaged about 17 percent higher than at the start of the Korean conflict. Reported sales in the 10 markets totaled 64,464 bales against 315,000 in the preceding week. Farmers were reported selling freely.

To October 17, a total of 4,839,000 bales of cotton was ginned compared with 7,598,000 bales to the same date last year and 8,163,000 two years ago.

World cotton production in 1950-51 is currently forecast at about 27 million bales. This compares with 31.2 million last year and a prewar average of 31.7.

* * *

Secretary of Agriculture Charles F. Brannan has announced an increase of 146,000 bales in the preliminary and interim cotton export allocation for the period August 1, 1950 through March 31, 1951. An initial interim allocation of 2,000,000 bales for this period was announced on October 10. The immediate increase in the interim allocation was made possible by the fact that the final census report on the cotton carry-over (before the 1950 crop) shows a total of 146,000 more bales of cotton than were previously reported and known to be available at the time the original allocation was announced.

DAIRY BRANCH

First sales of nonfat dry milk solids to western hemisphere nations under the reduced prices announced in the October export sales list was announced last week. One shipment of 45,000 pounds of spray type solids is destined for Mexico, while another of 36,000 pounds of roller type will go to Venezuela.

(more)

DAIRY BRANCH (CONT'D)

First sales of 1949 stocks of government-owned Grade B butter under competitive bidding were made week before last. Prices on these first sales ranged from 58.51 to 60.29 cents per pound. Since July 1 all Grade C butter sold by the Department has been under competitive bidding.

Completion of arrangements to sell 50 million pounds of government-owned cheddar cheese to the United Kingdom Ministry of Food also has been announced. The quantity included in this sale represents about one-half of the remaining inventory stocks of cheese acquired under price support by CCC.

Recent actions by the Department involving Federal milk marketing orders include:

1. Federal order issued to regulate the handling of milk in the Milwaukee, Wis., milk marketing area.
2. Public hearing called for November 13 to consider a proposed Federal order for the Neosho Valley milk marketing area of Kansas and Missouri.

Price Support Purchases and Sales, through October 20:
(Figures in Pounds)

<u>Product</u>	<u>Purchases</u> <u>October 16-20</u>	<u>Total 1950</u> <u>Purchases 1/</u>	<u>1949-50 Purchases</u> <u>Unsold as of Oct. 20</u>
Butter A	---	84,125,815	(
Butter B	---	43,845,674	(162,400,000
Butter C	---	---	(
	---	127,971,489	
Cheese	490,573	108,727,710	51,800,000
Spray milk solids	469,000	254,082,098	(
Roller milk solids	---	94,277,709	(309,600,000
	469,000	348,359,807	(

<u>Product</u>	<u>Sales to Trade</u> <u>Wk. End. Oct. 20</u>	<u>1950 Sales to</u> <u>Domestic Trade</u>
Butter A	2,522,207	16,112,205
Butter B	340,624	7,337,952
Butter C	1,260	1,503,831
	2,864,091	24,953,988
Cheese A	37,901	7,200,674
Cheese B	---	1,061,719
Cheese C	---	395,311
	37,901	8,657,704
Spray milk solids	430,125	2,198,076
Roller milk solids	1,173,906	3,005,196
	1,604,031	5,203,272

1/ Adjusted for Contract amendments.

DAIRY BRANCH (CONT'D)

A federal order to regulate the handling of milk in the Milwaukee milk marketing area has been approved by more than three-fourths of the dairy farmers participating in a referendum on the order. The price and producer payment provisions become effective December 1, with some other provisions going into effect this week. The order will establish minimum prices to be paid to dairy farmers regularly supplying the market and distribute the returns to these farmers through "individual handler" pools. Andy W. Colebank has been appointed administrator of the new Federal order. He will assume this responsibility in addition to his present duties as administrator of the Federal orders operating in the milk marketing areas of Chicago, Suburban Chicago, and Rockford-Freeport, Illinois.

* * *

A public hearing to consider a proposed federal order to regulate the handling of milk in the Neosho Valley milk marketing area of Kansas and Missouri will be held in Chanute, Kansas, November 13.

* * *

FATS AND OILS BRANCH

Peanut Marketing Quota - 1951

The U. S. Department of Agriculture announced on October 26, 1950, a marketing quota of 650,000 tons of 1951-crop peanuts and a national allotment of 1,771,117 acres. The Department also announced that a referendum on marketing quotas for the 1951, 1952, and 1953 crops will be held December 14, 1950.

Cottonseed Oil Program

Final CCC sales of cottonseed oil acquired in connection with the 1949 cottonseed price support program totaled 198,371,615 pounds, including 51,368,663 pounds of crude oil and 47,002,952 pounds of refined oil. Of the crude oil total, 39,283,720 pounds were sold for export.

1950 Crop Peanut Program

Prices effective October 23, 1950, and until further notice, on purchases of 1950 crop peanuts were announced by CCC as follows:

Oil Stock Peanuts:

Virginia-Carolina Area -- 7-1/2 cents per pound
Southeastern Area) --- 8-1/4 cents per pound
Southwestern Area)

Excess (oil) Farmers' Stock:

Virginia-Carolina Area --- Virginia, Spanish and Valencias 9.0 cents per
Southwestern Area --- Spanish and Valencias 9.5 cents per pound of
Southeastern area --- S. E. Spanish 9.0 cents and Virginia and Runners
9.2 cents per pound of kernels.

(more)

FATS AND OILS BRANCH (CONT'D)

Sales of Linseed Oil

During the week ending October 20, 1950, CCC sales of linseed totaled 1.65 million pounds, of which 0.4 million pounds were for export and the remainder for domestic use.

FRUIT AND VEGETABLE BRANCH

Purchase of 1950 crop potatoes through October 24 totaled 12,867,332 hundredweight. Of this amount 3,282,890 hundredweight went to livestock feed; 735,879 to Section 416; 593,541 to starch; 34,215 to penal institutions; 41,494 to storage; 18,394 to flour; 4,199 to experimental use; 19,000 to export; and 8,137,720 to re-sale.

Through October 24 purchase of sweet potatoes totaled 54,500 bushels, or 104 cars. Of this amount 103 cars were purchased in Louisiana and 1 in Texas. All were distributed to school lunch.

Export subsidy programs through October 21 stood at:

Apples, 283,526 boxes; \$353,090

Pears, 230,927 boxes; \$288,658

Honey, 8,895,150 pounds; \$400,281.

* * *

Fresh Products

Neal Sanborn is attending the meeting of the executive committee of the North Central Potato Committee in Minneapolis, Tuesday and Wednesday. From Minneapolis, he will go to the Red River Valley to spend 2 days before returning to Chicago.

Market News

John Leinhard, who has been assigned to the Chicago office, is being transferred to the Los Angeles market news office where he will report November 27. A new trainee, Allen Henry, will report to Chicago Monday. Also reporting Monday will be H. L. Smith, a trainee here 3 years ago, who will be temporarily assigned to the Chicago office before beginning a new assignment in Florida.

Regulatory

R. E. Keller and Victor Ekstrom of the Chicago office, and E. E. Gallahue, Washington, will attend the North Central Potato Committee meeting in Minneapolis, Monday and Tuesday.

GRAIN BRANCH

* Surprise was last week's grain stocks report showing October 1 corn carryover of 859 million bushels in all positions -- 100 million less than had been expected. This puts 1950-51 corn supply at less than 4 billion bushels, as compared with more than 4.2 billion in 1949-50. Carryover will be reduced substantially next year - possibly to less than 600 million bushels. Most of current carryover is in CCC loans and owned stocks. So-called "free supply" is smallest in several years.

* Confidential

Wheat exports increased in September but were much below outflow in September last year. Total for July-September was little more than half of 95 million bushels in like period of 1949. Total includes flour in terms of wheat. Exports of other grains have held up better than wheat, running about 25 percent below last year's 60 million bushels in July-September quarter.

CCC grains and oilseeds loan and purchase agreement volume on new crops is less than half what it was through September last year. Biggest reduction is in wheat total of little more than 100 million bushels as compared with nearly 250 million last year. Wheat markets have strengthened, indicated by fact that Wheat Agreement export payment rate off the Gulf had to be increased to 60 cents a bushel last week. Highest this season was 68 cents on July 25.

* * *

A rapid and simple sedimentation test to measure the bread-baking quality of wheat has been developed by cereal and bread specialists of the U. S. Department of Agriculture. The test measures both the quality and quantity of the gluten in wheat. The test has been checked against milling and baking tests made on wheat from the 1947, 1948, and 1949 crops. The test is based upon the fact that gluten in a water suspension swells enormously and takes up water rapidly when the proper concentration of lactic acid is added. In the test, a small sample of flour is obtained when the wheat is ground for two minutes. The ground flour is sifted and put into a water suspension in a graduated glass cylinder. Lactic acid is added. The level to which the swollen gluten settles after a given interval is measured. Both the quantity of the gluten and its quality, as shown by its ability to absorb water, are indicated quickly.

LIVESTOCK BRANCH

Meat production under federal inspection during the week ended October 21 totaled 320 million pounds. Hog slaughter was up 12 percent from the previous week although 6 percent under the corresponding week last year. Total production was up 5 percent from the preceding week, but was 2 percent below the 326 million pounds output of the same week last year.

POULTRY BRANCH

Dried egg purchases for price support were stepped up slightly last week, the total buy being 474,610 pounds with no cancellations. This was the heaviest buy for three weeks and brought total purchases for the year up to 82,586,418 pounds.

Sales of dried eggs for export hit a high level, the total for the week being 1,534,840 pounds at 20 cents f.o.b. the warehouse. Total sales under the export program now stand at 5,938,251 pounds.

A special committee, set up by the Northeastern Poultry Producers Council, to develop standards, methods and procedures for determining the quality of shell eggs in broken out form, met recently at the University of Connecticut at Storrs to discuss these problems.

The committee, headed by Dr. A. W. Brant of the Poultry Section, BAI, includes A. W. Otte of the Poultry Branch and representatives of industry, producers, and breeders.

Tentative standards, methods and procedures were set up by the committee as a basis for egg quality work through laying contests as a means of obtaining uniform information from such contests. Suggestions also were made for the use of these tentative standards, methods, and procedures by breeders who wish to check on egg quality in their individual flocks.

TOBACCO BRANCH

The first Federal Market News Service on turpentine and rosin will be inaugurated about November 1 with headquarters in Savannah, Georgia. W. B. Woodward, veteran market news reporter for the U. S. Department of Agriculture since 1930, will be in charge. Price and other market information collected and distributed by the new office will give producers, dealers, consumers, and the trade generally, information covering transactions at Savannah, Georgia; Jacksonville and Pensacola, Florida; Mobile, Alabama; New Orleans, Louisiana; New York, and other points.

J. J. Todd is visiting the Minnesota state office Monday and Tuesday of this week, that in Wisconsin, Wednesday and Thursday, and in Ohio, Friday in connection with tobacco marketing quotas.

TRANSPORTATION AND WAREHOUSING

Requisitions have been received by the Branch for delivery of approximately 50 million pounds of cheese to Great Britain and approximately 10 million pounds of dried eggs, 2 million pounds of Mexican canned meat and 44 million pounds of dry beans to Yugoslavia. A number of orders have been issued on the shipments for Yugoslavia.

The shortage of box cars continues to be critical in all areas, and it is anticipated that it will continue for the next few weeks. Considerable grain is being moved in covered hopper cars as a result of this shortage.